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ABSTRACT

Three major types of occupational training programs in Texas were analyzed to reveal their strengths and weaknesses and the extent to which each had succeeded in resolving the dilemmas common to all forms of occupational training. These dilemmas were effectiveness and relevance, the purpose and content of training, and targeting. Firm-based training provided skills that external programs could not provide and enjoyed advantages in recruitment, screening, retention, and placement. Firms rejected government incentives to train handicapped persons and were indifferent toward public training efforts and training disadvantaged persons. Postsecondary vocational education avoided the controversies and negative perceptions that plagued Comprehensive Employment and Training Act (CETA) programs and enjoyed a flexibility and diversity of goals that firm-based training could not emulate. Targeting and outreach efforts needed improvement. CETA programs had developed various methods to increase employer participation. Common problems included employers' negative opinions of CETA eligibles, excessive federal regulations, and "creaming." Implications for reforming public training programs were suggested, including improved use of advisory committees, strengthening of joint training, integration of vocational education and manpower programs, improvement of evaluation and performance standards, and stabilization of occupational training programs. (YLB)

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Number 55

The Persistent Dilemmas of Preparing for Work: Occupational Training Programs in Texas

A report by
The Occupational Training Programs in
Texas Policy Research Project
Lyndon B. Johnson School of Public Affairs
The University of Texas at Austin
1983

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FOREWORD

The Lyndon B. Johnson School of Public Affairs has established interdisciplinary research on policy problems as the core of its educational program. A major part of this program is the nine-month policy research project, in the course of which one or two faculty members direct the research of ten to twenty graduate students of diverse backgrounds on a policy issue of concern to an agency of government. This "client" orientation" brings the students face to face with administrators, legislators, and other officials active in the policy process, and demonstrates that research in a policy environment demands special talents. It also illuminates the occasional difficulties of relating research findings to the world of political realities.

This report on occupational training in Texas is the product of a policy research project conducted at the LBJ School in 1981-82, under grants from the Lyndon Baines Johnson Foundation, the Hogg Foundation, and the Ford Foundation. The study analyzes three major types of training programs--firm-based training, postsecondary vocational education, and CETA programs--and analyzes the extent to which each has succeeded in resolving the dilemmas that are common to all forms of occupational training. The study then makes several recommendations to improve the current system of occupational training.

It is the intention of the LBJ School both to develop men and women who have the capacity to perform effectively in public service and to produce research that will enlighten and inform those already engaged in the policy process. The project that resulted in this report has helped to accomplish the former; it is our hope and expectation that the report itself will contribute to the latter.

Elspeth Rostow
Dean

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CONTENTS

Policy Research Project Participants

Foreword

Acknowledgments

INTRODUCTION 1
- The Persistent Dilemmas of Occupational Training 3
- Examining Occupational Training Programs in Texas 8

1. FIRM-BASED TRAINING 13
   - Why Firms Train: The Content of Firm-Based Training 14
   - Links between Firms and Public Programs 17
   - The Contrasts with Public Training Programs 19
   - The Private Sector and the Disadvantaged: The National Alliance of Business 21
   - Conclusions 23

2. TRAINING OFFERED THROUGH POSTSECONDARY VOCATIONAL EDUCATION 27
   - Private Employers as Advisers 29
   - Schools and Firms as Joint Trainers 33
   - Social Goals: Targeting and Outreach Efforts 39
   - Conclusions 41

3. TRAINING FOR THE DISADVANTAGED THROUGH CETA 47
   - CETA through Community-Based Organizations: SER-Jobs for Progress 49
   - The Job Corps 52
   - The Private Sector Initiative Program 58
   - Conclusions and Recommendations 61

4. RESOLVING THE DILEMMAS OF OCCUPATIONAL TRAINING: SOME IMPLICATIONS OF THE TEXAS EXPERIENCE 67
   - Alternative Resolutions in Texas 68
   - Implications for Reforming Public Training Programs 72

INTRODUCTION

The problems of preparation for work are as old as work itself. In the United States, the apprenticeship system that provided most training until the nineteenth century was a constant worry to town and church fathers, who were concerned about apprentices being mistreated, running away, and failing to receive proper moral instruction. The system of public schooling established in the early nineteenth century partly reflected the need for the personal characteristics that would prepare children to be reliable, productive workers rather than vagrants and wastrels. At the turn of this century, educators and employers alike lamented the decline of the apprenticeship system, and the schools were roundly attacked for failing to prepare students for work. The reorientation of schooling around preparation for work and the development of vocational education were two consequences designed to make schooling more relevant to employment.[1]

Closer to present times, the 1960s were a period in which widespread criticism of existing training institutions generated substantial reforms that led to the training institutions we now have. The criticism that vocational education had become irrelevant to the world of work and neglected many potential students--especially minority students who most needed improved access to employment-- generated support for the Vocational Education Act of 1963 and for amendments to this Act in 1968, both designed to increase funding for vocational education, to ensure its relevance to work, and to ensure that minorities would not be left out. The fears that rapid technological changes were causing unemployment by making existing skills obsolete led to the passage in 1962 of the Manpower Development and Training Act (MDTA), providing training in nonschool settings. Like the efforts to focus vocational education on minorities, MDTA came increasingly to emphasize the hard-core unemployed, the "disadvantaged," minorities, and other groups who had always been relegated to marginal positions in the labor force. Such training programs as the Job Corps, which focused on poor youth, developed during the 1960s from the need to provide job skills to unskilled and poorly educated workers. When different manpower programs were incorporated into one program in the Comprehensive Employment and Training Act (CETA) of 1973, the emphasis remained that of providing occupational training for the hard-to-employ, within a flexible system designed to cope with the diverse employment and training needs of different communities throughout the country.[2]

Despite these reforms of the two main strands of public occupational training--vocational education in the schools and manpower training outside the schools--many of the same problems and controversies persisted into the 1970s. Vocational education has been repeatedly criticized for continuing to ignore the groups with the greatest needs for labor market preparation, including women and the handicapped as well as blacks and Hispanics; and evidence has mounted that many vocational programs, especially at the secondary level, are ineffective in preparing students for jobs.[3] The CETA program has been plagued with scandals revealing that public funds designed for the hard-core unemployed had been diverted by cities to the routine costs of local government, neglecting the intended beneficiaries. Because of its association with the "hard-to-employ," a stigma developed around CETA that put additional distance between the program and employers. President Reagan delivered a series of additional blows to the program, eliminating the public service employment portion of CETA, drastically reducing funds, and challenging Congress to replace public funding for training with a greater emphasis on training in the private sector. The CETA program itself was reformed in the Job Training Partnership Act of 1982; with the Vocational Education Act also being considered for reauthorization in 1982, the issues surrounding occupational training have been under constant discussion.

Despite this litany of controversy, occupational training seems if anything increasingly important. Concerns with declining productivity, and its influence on inflation and the international competitiveness of the United States, have underlined the need for a competent, well-trained labor force. The growing importance of advanced technology in such areas as computers and electronics and fears of a technically deficient labor force have added to the urgency of more appropriate training. Alarms about "over-educated Americans"--especially college graduates unable to find jobs suitable to their training--have increased the pressure on the schooling system to provide vocationally relevant programs. The increasing rates and levels of youth unemployment during the 1970s have also stimulated efforts to improve occupational training.[4] The charge that schooling has come to serve merely as a credential unrelated to skill requirements has added to the pressure to ensure that the content of schooling and training programs is job-related. Finally, students themselves have increased the demand for occupational programs: vocational programs in community colleges were the fastest-growing educational programs during the 1970s,[5] and CETA programs have been consistently oversubscribed. Whatever the failings of these programs, young people have wanted to get into them.

At the same time that occupational training has become increasingly important, it has also become more complex and varied than ever before. Traditional vocational education programs at the high school level have been overshadowed by the rapid growth of postsecondary vocational programs. School-based programs have been supplemented by various CETA programs that are not tied to the schools and are therefore more flexible in the kinds of training they provide. The number of program models offered by CETA has expanded, especially with the Youth Employment and Demonstrations Projects Acts (YEDPA) of 1978. Direct government funding of vocational programs has been supplemented by indirect funding through the tax system: the Targeted Jobs Tax Credit, a system of tax credits to corporations that hire specific categories of disadvantaged individuals, was legislated in 1979 to encourage employers to provide their own training for targeted groups with the incentive of public subsidy. A substantial challenge to public training programs has come from firms themselves; firms appear to have increased formal training programs for their employees during the 1970s, partly in response to the insufficiencies and the inadequacies of public training.[6] Thus the variety of training programs has expanded, with many different institutional settings, target groups, and methods of training.

The variety of training programs complicates the issues and policy options in occupational training, but such variety also presents a special opportunity. Although training programs differ remarkably, the persistent issues and problems which they experience are remarkably similar, as we will show in the next section. The responses of different programs to these long-standing issues vary, of course. These varied responses help provide information about why some programs work well and others face almost insurmountable odds, and about what kinds of programs are likely to work best for which groups. In this monograph we will examine several different kinds of education and training programs to reveal the strengths and weaknesses of each and to suggest the changes that might improve current occupational training.

THE PERSISTENT DILEMMAS OF OCCUPATIONAL TRAINING

The central problem of occupational training is always the same: to take an untrained individual, unfit for employment, and provide him or her with the requisite skills for employment. The problems of training have therefore varied with the preparation of the students involved, the nature of occupations and their skill requirements, the characteristics of firms doing the hiring, the nature of labor markets, and the history and peculiarities of training institutions--so much so that the similarities among programs are rarely noticed. However, in the major training programs with extensive historical experience--school-based vocational education, CETA programs and the out-of-school manpower programs on which CETA was based, and industry-sponsored training programs--we can discern several common dilemmas which can be categorized into three general proglems: the issue of effectiveness and relevance, the purpose and content of training, and the problem of targeting.

Effectiveness, Relevance, and Public-Private Cooperation

The charge of irrelevance to labor market needs has been hurled at the public schools at least since the turn of this century. Vocational education and CETA programs, established explicitly to prepare individuals for the labor market, have also been targets of this criticism.[7] The charge of irrelevance has usually meant that training either fails to give students job-related skills, or provides them the wrong skills given the jobs available. The image of training for jobs that don't exist--"training for unemployment"--has consistently plagued occupational training. One solution has been to improve methods of labor market forecasting, so that those individuals designing programs can provide for occupations in relatively great demand rather than occupations with few vacancies. While this approach can help avoid the gross error of preparing students for declining occupations, it is not helpful when changes in the job market are sudden and unforeseeable, and it cannot specify what kinds of skills are necessary for a particular occupation.

Thus a second antidote to "training for unemployment" has been to generate closer ties between training programs and employers who presumably know what skills they need. The requirements of advisory committees that include both educators and employers--requirements of both the Vocational Education Act of 1963 and the CETA program--are efforts to tie training more precisely to labor market opportunities by providing regular communication between public programs and employers. The Private Industry Councils (PICs) established by the Private Sector Initiative Program (PSIP) in the 1978 CETA amendments provide another version of such advisory efforts: the PICs, which include private sector employers as well as representatives of labor, community-based organizations, and educators, have been intended to plan training and placement activities directed toward private employers and thereby redirect CETA's emphasis from public to private employment. The Job Training Partnership Act, the successor to CETA, strengthens this trend by requiring all programs to be jointly governed by a PIC with a majority of members from private employers.[8] This design is a still more extreme version of the effort to have employers designing and specifying what skills should be taught, on the assumption that such cooperation will make training programs more effective.

Still other mechanisms of encouraging cooperation are programs where students spend part of their time in classroom settings and the other part in on-the-job training. This combination of work and study comes in various forms under different names--for example, work-study, cooperative education, work experience, combined skills training, and apprenticeship. Such joint efforts have been tried in both vocational education and CETA. In all its forms, however, cooperative training hopes to ensure that appropriate work-related skills are taught during the on-the-job component and that class-based and on-the-job training are complementary rather than unrelated.

In this monograph we investigate different mechanisms of establishing cooperation between training programs and employer needs, concentrating on the use of advisory councils and cooperative training efforts. In addition to examining these forms of cooperation in CETA and vocational education, we also analyze a form of training in which such cooperative efforts are unnecessary: firm-based training, in which the firm itself plans and runs the training program. The contrast between firm-based programs and public programs provides several insights into the special problems of ensuring that occupational training is job relevant.

Throughout this monograph, we will make one strong assumption about the purpose of training: no occupational training program can remain stable and effective unless it meets the needs of both students and firms. A program that neglects the needs of firms will be unable to place its graduates; if information about low placement rates becomes available, then students will not enroll and legislatures will refuse to fund it. Similarly, one that fails to meet the needs of students will also lose enrollment and popular support. Even if ineffective programs can in fact survive a long time--as they certainly can, especially since information about effectiveness is poor and prospective students often have few alternatives--we still assume that such ineffectiveness is indefensible. It is in fact the task of program evaluation and policy analysis to detect and eliminate such ineffective programs, even where they may have the political support of students, educators, or firms.

The Purposes and Content of Training

A second persistent problem involves the central purpose of occupational training. On the one hand, some have argued that training programs should fulfill the needs of students, and these advocates--including most educators--have seen students rather than employers as their primary constituents. Others--obviously including most employers--have viewed public training programs as primarily responsible for satisfying the labor needs of firms, and they have argued for a greater role for employers in designing training programs. In the best of all worlds, the needs of firms for skill training and the needs of students are identical, so there is no disagreement between the two views of training. In practice, however, what firms want of trained employees has not always been in the interests of students, so the two sides have come into conflict.

One issue that has often divided the proponents of student needs from the advocates of firm needs is the issue of specific versus general skill training. A constant complaint against vocational education, for example, has been that training is specific to narrowly defined occupations; if a particular occupation declines because of technical change or the movement of firms to other regions, then individuals trained for that occupation will be left with no employment-related skills. In response, successive reforms in vocational education have called for more general skill training, to provide students with skills applicable across a variety of occupations that will enable them to move among occupations as opportunities arise. Despite this plea, vocational education has consistently been pressured--partly by employers--toward more specific skill training, since general skills often seem irrelevant in a way that specific skills are not.[9]

The issue of general versus specific training has been analyzed in a related way by Gary Becker and other human capital theorists.[10] Becker distinguishes between specific skills that are useful to only one employer, and general skills (like literacy) that are productive in every firm. Every employer is presumably willing to pay a premium for general skills, and so an individual has an incentive to acquire general skills because of the higher earnings they will generate. In contrast, only one employer is willing to pay for a specific skill, and so an individual has little incentive to pay for acquiring that skill because it will be useless if he or she leaves that one company. Therefore, firms have to provide specific skill training at their own expense; and they will be reluctant to provide any general skill training, since a person who has been generally trained by the firm may be bid away by another firm that finds those skills productive. Conversely, individuals will have economic incentives to acquire general but not specific skills at their own expense.

Consistent with this analysis, those who view the appropriate role of training programs as serving the needs of students argue that public programs ought to provide general skill training that will make a person employable in a variety of firms; they tend to view public subsidy of specific skill training as a hidden subsidy to private employers, illegitimate and unhelpful in providing individuals with the skills necessary to ensure flexibility and stability in employment, with opportunity for advancement. On the other hand, those who argue that public training should serve the interests of firms have been less concerned about public subsidy for specific skill training. Thus the debates over the purposes of occupational training have often involved disagreement over whether training should be primarily specific or general.

Of course, most jobs have both general and specific components to them. This poses the problem of how to provide both kinds of training. If public programs ought to provide general training and firms ought to provide specific training, then one obvious solution is a division of labor, with general skills taught in classroom settings with public subsidy and specific skills taught on the job by employers. This division of labor corresponds to the cooperative training model and highlights once again the need for cooperation between the public and the private sector. Without such cooperation, either workers may be incompletely trained, or training may be done in settings which are relatively inappropriate.

Although public-private cooperation may be important to the effectiveness of training programs, such cooperation may be difficult if firms on the one hand and educators and trainers on the other differ about the purposes of training, responsibilities of publicly subsidized training, and the appropriate mix of specific and general skills. We need, then to examine ways in which this potential tension can be overcome in the interests of greater cooperation.

Targeting and Creaming

From its earliest days, vocational education was intended to emphasize training for the children of the poor. Booker T. Washington stressed its importance in education in integrating blacks into the mainstream of American life, and urban reformers emphasized its role in providing employment to newly arrived immigrants. The 1963 Vocational Education Act and its amendments in 1968 and 1976 reaffirmed the role of vocational education in training minorities, women, and the handicapped. The CETA program, like most manpower programs before it, stressed training for the "disadvantaged"--a vague euphemism describing various groups that prove to be poorly prepared for employment, now including poor youth, many minority youth, the handicapped, Viet Nam veterans, and (in a society in which women have been trained for a narrow range of poorly paid jobs) women as well. In fact, CETA has differed from vocational education in excluding those that are not disadvantaged, while vocational education has tended to include the disadvantaged as part of a wider population.

However, several forces have worked against the efforts of public programs to train those who are poorly prepared for employment. One is the simple fact that training those who are poorly prepared is significantly more difficult than training those who are well prepared. A program is likely to look more successful--as measured by the placement of its graduates in employment, for example, or the earnings of its graduates--if it starts with well-prepared individuals, and this has generated an incentive to "cream"--to accept the best-prepared students into training programs rather than the most disadvantaged. Creaming has been a serious problem in both CETA and vocational education. In one form of creaming, cities in the early years of CETA often hired relatively well-educated individuals and paid them from CETA funds to perform their routine work; this abuse of congressional intention to train the disadvantaged led to the passage of the 1978 amendments, making eligibility more rigid to prevent such creaming. The 1968 and 1976 amendments to the Vocational Education Act of 1963 similarly added requirements to serve the disadvantaged, because of evidence that programs had not responded to the targeting requirements of the 1963 Act itself.

A second motive for creaming is that programs concentrating on the disadvantaged have generally developed a stigma. Negative attitudes toward public training programs, especially serious as in the case of CETA, have been very detrimental because firms are unlikely to hire graduates from programs with bad reputations. Whether the stigma attached to some training programs reflects racial antipathy toward minorities, a fear that trainees will be badly behaved, or an automatic reaction against government programs is not always clear. We do know that unfavorable attitudes towards CETA are greater among employers who have not hired a CETA trainee than among those who have some experience with CETA, suggesting that stigma is a product of ignorance rather than firsthand information about training programs.[11] But whatever the cause, the stigma attached to CETA provides another motive for programs to avoid focusing exclusively on the disadvantaged.

In short, the dilemma of public training programs is as follows: if they concentrate on training the disadvantaged, the stigma associated with such efforts may undermine their success; if instead they try to "cream" and include only those students who are relatively well-prepared, they may be neglecting their obligations to the disadvantaged. Avoiding the extremes of this dilemma and training the disadvantaged without generating such a stigma--or training the disadvantaged within programs for those not considered disadvantaged--has proved extremely difficult.

If anything, the need to emphasize training for the disadvantaged seems to be increasing rather than declining. During the past two decades, various efforts established as part of Lyndon Johnson's Great Society have considerably narrowed the educational differentials between blacks and whites.[12] Despite this progress, a disproportionate number of blacks still leave school unprepared for employment, and the problem of youth unemployment has been the most serious and the most resistant among black and Hispanic youth.[13] At the same time, President Reagan has issued a challenge to meet the needs of disadvantaged youth by placing a greater responsibility on the private sector than on public programs; he has effectively forced this view upon training programs by reducing funds for CETA and by promoting in the Job Training Partnership Act a revised version of CETA that places more power in the hands of councils dominated by private employers. We therefore need to examine which of the various efforts to target disadvantaged youth has worked the best, and whether greater reliance on the private sector is an appropriate way to resolve a problem which has persisted throughout this century.

Throughout this monograph we make a strong assumption about the need to train the disadvantaged: We assume that the public sector bears the ultimate responsibility for ensuring equity for all citizens, including the goal of equal access to all forms of employment. If this responsibility can be fully discharged by turning to the private sector, then such an approach is appropriate; otherwise, the obligation to provide occupational training opportunities remains in public hands, and efforts to integrate the disadvantaged into the mainstream of economic life must be redoubled. There is, in our view, no justification for abandoning support for the disadvantaged just because previous attempts have not been universally successful.

EXAMINING OCCUPATIONAL TRAINING PROGRAMS IN TEXAS

To address the persistent dilemmas of occupational training we have examined three different kinds of programs in Texas: firm-based programs (in Chapter 1); postsecondary vocational education programs (in Chapter 2); and several CETA programs (in Chapter 3). Examining different programs shows various ways several institutions have responded to the persistent dilemmas we have just outlined, and thus provides some insights which the more conventional analysis of single programs cannot provide.

Comparing three different types of programs clarifies another point usually obscured by the more conventional analysis: different training programs should be considered potential substitutes for one another, rather than distinctly different enterprises that cannot be compared. Indeed, the historical development of programs suggests that they have been substitutes in a relatively obvious way: the rise of manpower programs and other out-of-school programs was based partly on a recognition that school-based vocational programs were failing to prepare most disadvantaged youth for the labor market. In turn, formal firm-based training programs have increased partly in response to perceived inadequacies of public training programs. When we recognize that these programs have similar intentions and face similar dilemmas--rather than being completely different--then we can consider the extent to which different programs are substitutes and complements to one another, and determine the best mix of programs to address the training needs of both students and firms.

Obviously, however, the three programs we analyze differ in particular ways. We begin by analyzing firm-based programs, since investigating what firms have done with their own resources suggests the skills which are critical to them and which they find missing in public programs. Firm-based training programs are also unique in several other ways: they obviate the need for mechanisms of cooperation; they have different procedures for accepting "students" into them; and their placement problems are different from those of public programs. Finally, existing firm-based programs provide an indication of what firms by themselves are likely to do on behalf of the disadvantaged, under President Reagan's proposal to transfer more responsibility to the private sector.

In contrast to firm-based programs, which have no formal responsibility to serve either the needs of students or the needs of the disadvantaged, vocational education programs must respond to a variety of different pressures. They must in some fashion address the needs of students or they will run out of pupils; but, if they fail to meet the needs of employers and their graduates are unemployable, they will also fail. Although their student population is relatively broad, vocational education programs have also been given a special charge to train the disadvantaged. Unlike firm-based programs, cooperation with employers has been a real problem, and the variety of cooperative mechanisms that have been tried is quite large. Similarly, we can see vocational education programs wrestling with the problem of general versus specific skill training in a way that firm-based programs need not.

In examining school-based vocational education, we have chosen to concentrate on postsecondary rather than secondary programs for several reasons: postsecondary education has been the fastest-growing area of vocational education; postsecondary students are more comparable in their ages to those enrolled in firm-based and CETA programs, while secondary vocational students are younger; many secondary vocational courses seem to be avocational rather strictly vocational; and evidence suggests that secondary vocational education provides relatively little economic advantage to its graduates, while the evidence about the economic effects of postsecondary vocational education is somewhat more encouraging.[14] In short, postsecondary programs appear to have taken over the leadership role from secondary vocational education.

Finally, CETA programs present still different problems. With their almost exclusive emphasis on the disadvantaged, the problems of placement and cooperation with the private sector are often more difficult than they are for vocational education, and the tactics that CETA programs must use to encourage cooperation have been different. Since CETA programs are not tied to the institutional structures of the schools, they can be more flexible in the kinds of programs they devise. Three models in particular have been of special interest, and we examine each of them in Chapter 4: the use of community-based organizations to deliver training; the use of long-term residential training in the Job Corps program; and the Private Sector Initiative Program (PSIP), with its use of Private Industry Councils, as a way to bridge the gap between the public and the private sector more effectively. Each of these provides distinct possibilities for revitalizing occupational training, and each faces distinct liabilities.

To analyze different kinds of programs, it is most appropriate to compare programs in the same area, so that differences in political climate, in labor markets, and in institutional structures do not influence the conclusions. For logistical reasons, we have chosen to investigate different training programs within Texas. While the choice of Texas is serendipitous, it is still appropriate to the issues we examine. Most obviously, Texas has been growing in both population and employment, and its unemployment rate has been one of the lowest in the country. These are conditions in which the demand for trained workers is relatively strong, so that training programs in Texas generally face optimal conditions for their development, rather than confronting declining labor markets (as in the Midwest and Northeast) with few job opportunities. Second, Texas is a relatively large state with a substantial variation among its different regions; it therefore provides greater opportunities to examine different training programs than do small, homogeneous states. Third, Texas has a relatively large number of minorities, with 15 percent of the 1980 population black and 27 percent Hispanic;[15] this gives us ample opportunity to examine training opportunities for minority youth, one of the most important categories of the disadvantaged.

Finally, Texas seems in every respect to have followed national trends in the development of training programs: postsecondary vocational programs expanded enormously during the 1970s, as they did elsewhere across the country; the CETA program displays the same variation of models that it does elsewhere; and the firm-based programs we examined seem to follow national trends as well. There are, to be sure, some distinctive aspects of Texas: the historical decentralization of political power has meant that community colleges and CETA prime sponsors have been relatively free of state coercion or direction, and the low level of unionization means that organized labor has had relatively little say about training programs. Still, Texas seems an appropriate area in which to examine a variety of training programs.

The central policy issue concerning education and training programs remains the same as it has been throughout this century: how to redirect public efforts and public funds to improve occupational training. Whether improvement requires an expansion, contraction, or redirection of public funds; whether greater reliance on the private sector is possible or appropriate; whether some existing programs should be completely dismantled and others strengthened to replace them; whether the historical dilemmas of training programs can ever be finally resolved--these are among the questions that need to be answered. The failure to pose these questions broadly ensures that the persistent dilemmas of training programs will continue to go unresolved; the inability to answer them completely and unambiguously means that reforms will be incomplete.

NOTES

1. On the history of schooling and work, see Marvin Lazerson and W. Norton Grubb, American Education and Vocationalism: A Documentary History, 1870-1970 (New York: Teachers College Press, 1974); and W. Norton Grubb and Marvin Lazerson, "Education and the Labor Market: Re-Cycling the Youth Problem," in Work, Youth, and Schooling: Historical Perspectives on Vocationalism in American Education, ed. Harvey Kantor and David Tyack (Palo Alto, Calif.: Stanford University Press, 1982).

2. On the development of manpower programs and CETA, see Ewan Clague and Leo Kramer, Manpower Policies and Programs: A Review (Kalamazoo, Mich.: W. E. Upjohn Institute for Employment Research, 1975); and Patrick O'Keefe, Robert Ainsworth, and Everett Crawford, "Overview of the Program," in CETA: An Analysis of the Issues, Special Report No. 23, National Commission for Manpower Policy (Washington, D.C., 1978).

3. For evidence that vocational education has still failed to include the students with the greatest needs, see The Vocational Education Study: The Final Report, Vocational Education Study Publication No. 8 (Washington, D.C.: National Institute of Education, 1981), ch. 3. For evidence on the ineffectiveness of vocational education, see John Grasso and John Shea, Vocational Education and Training: Impact on Youth (Berkeley: Carnegie Council on Policy Studies in Higher Education, 1979); and Beatrice Reubens, "Education for All in High School?" in Work and the Quality of Life, ed. James O'Toole (Cambridge, Mass.: MIT Press, 1974). Despite the general finding of ineffectiveness, some programs--especially secretarial and clerical programs for girls--have proved to be effective in providing graduates with higher wages and greater employment stability than counterpart graduates.

4. On youth employment, see U.S. Congressional Budget Office, Improving Youth Employment Prospects: Issues and Options (Washington, D.C.: U.S. Government Printing Office, 1982).

5. On the growth of postsecondary vocational education, see W. Norton Grubb, Occupational Demand and the Rise of Post-secondary Vocational Education, (Stanford: Institute for Research on Educational Finance and Governance, Stanford University, February 1983).

6. Although the evidence is still sparse, see Seymour Lusterman, Education in Industry (New York: Conference Board, 1977); Harold Goldstein, Training and Education by Industry (Washington, D.C.: National Institute for Work and Learning, 1980); and Peter Doeringer, ed., Workplace Perspectives on Education and Training (Boston: Martinus Nijhoff Publishing, 1981). Much of the evidence on the rise of firm-based training is still anecdotal and relies on the success stories of a few large firms, such as IBM, Wang Laboratories, Xerox, and AT&T.

7. On the charges of irrelevance directed at vocational education, see W. Norton Grubb, "The Phoenix of Vocationalism: Hope Deferred Is Hope Denied," *New Directives for Education and Work* 1 (Spring 1978): 71-89.

8. On the Job Training Partnership Act (S. 2036), see U.S. Bureau of National Affairs, *Employment and Training Reporter* 14, no. 5 (October 6, 1983): 109-12, and 14, no. 4 (September 29, 1982): 81-85.

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10. Gary Becker, *Human Capital*, 2d ed. (New York: National Bureau of Economic Research, 1975), ch. 2. See also Walter Y. Oi, "Labor as a Quasi-fixed Factor," *Journal of Political Economy* 70 (December 1962): 538-55.

11. David Robison, "The Attitudes of Employers and Business Professionals toward Government Manpower Programs," in *Increasing Job Opportunities in the Private Sector: A Conference Report*, Special Report No. 29, National Commission for Manpower Policy (Washington, D.C.: U.S. Government Printing Office, 1978), pp. 145-48.

12. James Smith and Finis Welch, *Race Differences in Earnings: A Survey and New Evidence*, RAND Report R-2295-NSF (Santa Monica, Calif., March 1978).

13. See, for example, Paul Osterman, *Getting Started: The Youth Labor Market* (Cambridge, Mass.: MIT Press, 1980), ch. 5.

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15. U.S. Department of Commerce, Bureau of the Census, 1980 Census Advanced Report, *Texas: Final Population and Housing Unit Counts*, PHC80-V-45, March 1981, Table 1.

CHAPTER ONE

FIRM-BASED TRAINING

Firms have always provided occupational training, since on-the-job training and the increased productivity that comes with experience are forms of training within firms. However, a novel phenomenon during the 1970s has been the rise of firm-based training programs, designed and run by firms themselves, that take selected employees away from their daily routines and provide them with relatively formal training in workshops or classrooms or on the job. The increasing amount of firm-based training has led to the development of a new group of professionals--Human Resource Development (HRD) professionals who specialize in firm-based training, with their own journal (Training and Development Journal) and professional association (the American Society for Training and Development). Some observers have claimed that firm-based training will be the fastest-growing part of the entire education and training enterprise in the next few decades; some education schools have begun programs to train HRD professionals, partly as a way of extending their abilities as educators and partly as a way of developing a new "market" for students.

Reactions to the expansion of firm-based training have been mixed. On the one hand are those educators who see the rise of firm-based training as a threat to conventional education; since firm-based training is often a response to the perceived inadequacies of conventional schooling, the expansion of firm-based training is an implicit criticism of the schools. On the other hand are those in business and industry who view the rise of firm-based training as the private sector's antidote to the overexpansion of the public sector. Particularly with President Reagan seeking to replace public programs with private sector equivalents, the expansion of firm-based training provides a ready model for occupational training, one which is by its very nature closer to the needs of firms and less likely to provide irrelevant training.

Several illuminating comparisons can be made between firm-based and public training programs. First, examining what firms offer allows us to see which skills they consider critical and which are not taught in existing programs; it turns out that the content of firm-based programs and public programs is substantially different. Second, just as CETA and vocational education programs have encountered difficulty establishing ties to private employers, private employers have complaints about public programs. Finally, firm-based training programs are distinctly different from public programs in their recruiting, placement procedures, their turnover rates, and above all in their policies toward minorities, women, and other disadvantaged workers.

To be sure, the information about the extent and nature of firm-based training is still meager.[1] Much of the information which has caught the public eye is still anecdotal detail about the exemplary training programs of a few firms--for example, AT&T, Xerox, IBM, Wang Laboratories, and other large, oligopolistic firms working in areas of rapid technical development.[2] More systematic evidence on the tendency of firms to offer training and on the rationales for their training programs is still scarce, partly because firms are often uncooperative about giving out information and partly because the tremendous variety of training programs has made it difficult to categorize and survey existing programs.

In an attempt to gather more information about firm-based programs and to compare their efforts to public training, we interviewed about thirty firms concentrated in the labor markets of Austin, Dallas-Fort Worth, and San Antonio, in a variety of sectors except agriculture. We also examined the experience of the National Alliance of Business (NAB) with inducing employers to provide training and jobs for the hard-to-employ, as a way of investigating further the treatment of the disadvantaged by private employers. In order to examine programs as similar as possible to postsecondary vocational education and CETA programs, we confined our investigations to programs for employees that do not have B.A. degrees. This restriction eliminates some of the most highly visible courses that firms offer--for example, courses in communication skills and other managerial techniques, and the courses that high-technology companies routinely offer to keep their managers and sales personnel abreast of technological developments. However, this restriction concentrates our investigation on those firm-based programs that are applicable to the majority of employees--those without a college degree. Finally, we did not consider the most commonplace form of firm-based training: the brief orientation sessions that many firms give for new employees.

Our investigation, which is essentially a series of case studies, cannot necessarily be considered representative of firm-based training programs offered across Texas, nor can we claim it to be definitive. However, the results are illuminating--especially in contrast to the characteristics of postsecondary vocational education and CETA programs-- and they confirm many findings of national studies. Our conclusions about firm-based training suggest some ways in which such training is valuable and in some ways it is singularly ineffective.

WHY FIRMS TRAIN: THE CONTENT OF FIRM-BASED TRAINING

The first and most obvious conclusion from our examination of firm-based training programs in Texas is that most firms do not provide any formal training for their employees. In particular, most small and medium-size firms tend to provide little formal training; formal training programs are overrepresented among large corporations, although we could not establish the size distribution of firms with formal training programs because many firms refused to reveal their size. Thus there appear to be substantial economies of scale in training programs that keep most firms from offering any but the most rudimentary orientation programs, a finding consistent with national surveys.[3] There appears in addition to be a cyclical effect: several firms mentioned that they had in more prosperous times offered training programs but had eliminated them because of the recession that began in 1980. In recessions most firms find themselves with lower revenues and a profit squeeze; training may be low on their priorities, and therefore its funding is among the first to be cut. It may also be possible to hire better-trained workers when the unemployment rate increases.

A less obvious conclusion is the discovery of how recent most firm-based programs in Texas are. Of the more than thirty firms we interviewed, most had established their training programs within the last five years; only a few of the largest and best-established firms (like Southwestern Bell and Motorola) seem to have had training programs for many years. Texas Instruments--which claims to have had some kind of training program since the 1930s--stated that the current emphasis on providing in-house training dated from the 1960s.[4] Precisely why in-house training has been a recent phenomenon for so many firms remains elusive, partly since few of the personnel directors interviewed had worked at their current jobs prior to the 1970s; however, these results confirm the common claim that the expansion of formal firm-based training is a recent phenomenon.

Overwhelmingly, the firms that provide their own formal training do so because the skills they need are almost completely firm-specific. For example, the director of training at Motorola Inc. claimed that a graduate from an external training program would be of little use to Motorola "because of specifications and the way we do things";[5] much of the work at Motorola is production-line work fabricating high-technology components, such as silicon wafers, where the skills required are particular to the production process Motorola has established. In some cases, an employer provides training because the procedures they use are different from those of similar employers, and are therefore firm-specific. For example, Seton Hospital in Austin provides training in vein puncture techniques, even though this is a skill used in all hospitals, because the procedures they use differ from those in other Austin hospitals. In Seton's case, the decision to offer their own training was also prompted by a continuing shortage of vein-trained individuals, an oversupply of relatively unskilled nurses' aides and assistants who could be readily trained, and the perception that the hospital could provide more appropriate training more cheaply than could the local community college.[6]

In another example, a plastics manufacturing company in Dallas provides its own training because the molds and pressing machines it uses in its production processes are extremely expansive, with pressing machines costing about $350,000; the maintenance trainer claimed that "an untrained person could destroy the equipment in a very short time." In this case, the expense of the machine means that external training institutions could not afford to buy a machine simply for training. Also, the rarity of the machines means that no other employers in the Dallas area would hire someone trained to operate that machine, so that skill is effectively firm-specific. Finally, there is an element of insurance in the firm providing its own training--with the possibility of an employee destroying such expensive equipment, the firm won't trust someone trained elsewhere.[7] The decision to provide firm-based training in this case is complex and has several contributing elements, but the critical factor is the need for skills that differ from those required by other firms.

In several cases, the skills taught in firm-based programs are firm-specific because a company is essentially a monopolist in the labor market area. The phone company is a good example: although the skills of operators, linemen, installers, and other semitechnical occupations are used throughout the country in many different phone companies, in Texas there is effectively only one employer that uses such skills--Southwestern Bell. In this case the economies of scale are so substantial that Southwestern Bell has established centralized training facilities in Dallas, to which trainees come from all over Texas. In another similar case on a smaller scale, Delta-T, Inc. of Dallas sets up special mechanical systems (heating and cooling systems) in large construction projects and then tests, adjusts, and certifies these systems; since there are very few other such companies in Texas, the skills required are again relatively firm-specific. (In this case the reason for the relatively recent establishment of training programs is obvious: the type of equipment used is only about fifteen years old, and its adoption in Texas--and thus the need for the company to have a greater supply of trained workers--is a function of large construction projects and thus of rapid employment and population growth in Texas during the past decade.[8]

In the cases described so far, firm-specific skills combine motor skills (for example, the ability to insert a needle into a vein or to operate a machine correctly) with certain cognitive skills (for example, the knowledge of how to balance a heating and cooling system.) However, an important and often-neglected category of firm-specific skills involves employee attitudes. Company loyalty, teamwork, and internalization of the company's philosophy are often given as reasons for firms providing their own training, since a company can pass on to its trainees these attitudinal "skills" at the same time that it imparts motor skills or cognitive skills. For example, Gillingwater Management Co. in Austin, a real estate company that manages apartments, requires apartment managers to take their own course rather than the Certified Apartment Manager's Program offered by the Austin Apartment Association because their own program is tailored to present the specific philosophy of the company.[9]

A large number of firms offer what appear to be relatively general training courses for their supervisors in "soft" skills like communications, leadership styles, motivating employees, "human relations skills," interviewing techniques, and appropriate appearance; however, firms that offer such courses generally claim that they can teach these skills better than outside educators because they can tailor the programs to their specific needs. Since such training is usually given to supervisory personnel, the specifics of a firm's heirarchical structure, style of management, and sense of teamwork are important.[10] From an employer's point of view, training employees in such attitudes can be as productive as training them in cognitive or motor skills, especially for those firms trying to reduce turnover or for whom contact with the public is critical. Obviously enough, transmitting firm-specific attitudes and philosophy is something that can be done only in a firm-based program.

Two other reasons led some firms to offer their own training. A few firms experienced labor shortages in particular occupations which they tried to remedy through training programs. Examples include Seton Hospital's vein puncture program, a program initiated by the Texas Commerce Bank in Austin because it needed additional employees in an extremely tight labor market, and a program to train sales representatives at the United States Automobile Association in San Antonio to keep pace with the company's rapid growth. In these cases, providing firm-based training seems to be a recruitment mechanism; although higher wages might have the same effect in increasing the pool of applicants, training programs may have advantages of lower long-run costs and better-trained, more loyal employees.

Finally, firm-based training programs may help some companies reduce costs in other ways as well. Some firms claimed that providing in-house training was cheaper than turning to external training institutions, as well as being more controllable and producing more visible results.[11] Others claim that firm-based programs reduce turnover costs by creating more loyal employees and by reducing turnover among employees whose firm-specific skills are useless elsewhere.[12]

Still another cost-reducing element of firm-based programs stems from the role of training as a screening mechanism. Every training program is to some extent a screening device, since teachers and trainers can identify those trainees with inappropriate attitudes and insufficient skills for a particular job; in addition, the time required for training is itself a screening mechanism, since those individuals unable to complete a training program are likely to be relatively unstable workers. However, firm-based training programs may be more precise screening mechanisms than external training programs, since the trainers who do the screening are more familiar with job requirements and company personnel goals than external vocational education teachers and CETA trainers are likely to be.

In summation, the dominant reason why firms provide training is to pass on firm-specific skills.[13] Even those cases where firms provide relatively general training--in communications and managerial techniques, for example--there seems to be a great deal of firm-specific content, related to either procedures unique to the firm or to the attitudes which a firm would like its employees to have. Our findings about the dominance of firm-specific skill training confirms results from a 1976 survey conducted by the Conference Board of 610 companies: only 6 percent of the respondents indicated that "much" or "most" of their training included skills that were "really the responsibility of the schools to provide," and only 8 percent provided courses in "basic remedial education" during work hours.[14] This evidence suggests that the "failures" of conventional education and training programs that have led firms to devise their own training programs are not failures in the conventional sense but simply a reflection of the fact that training institutions external to firms provide relatively general skills, which some firms then supplement by in-house, specific training. Firms have in fact followed the rough division of labor which has often been suggested by human capital theory, providing relatively specific training while public institutions provide more general preparation.

LINKS BETWEEN FIRMS AND PUBLIC PROGRAMS

As we have just documented, there is a fundamental difference between the general skills provided by the public education and training programs and the specific skills that many firms need to provide themselves. One obvious way to provide both kinds of necessary skills is through cooperation between firms and public training institutions, as in cooperative education. We therefore asked what firms in Texas thought about vocational education and CETA programs, whether they had ever tried to use such programs to fill their skill deficiencies, and what opportunities personnel and training managers saw for greater cooperation between the public and private sector.

Several firms who currently provide their own training had at one time relied on public institutions. For example, Seton Hospital once relied on Austin Community College for its vein-trained nurses; however, they established their own program because of a feeling that community college tuition discouraged many potential applicants, and because the hospital could provide appropriate training itself. Three different banks interviewed reported that they relied on high school vocational programs as a source of applicants for their clerical and teller positions, and that they had generally had good success with these individuals; however, the banks used the vocational education programs as a recruitment mechanism rather than a training program. Only one of the firms we interviewed had a program to coordinate their own training with external programs: Texas Instruments in Austin, a large, high-technology company with an active training director, encourages its employees to take relevant courses at the local community college and a local four-year college, and is trying to develop a system through which their employees can receive formal academic credit for courses they take at Texas Instruments.[15] With this single exception, the attitude of most firms we interviewed toward vocational education programs seemed to be one of ignorance: most personnel and training directors were unfamiliar with what happens in local vocational education programs, even though the areas in which we interviewed firms--Dallas, San Antonio, and Austin--have some of the most extensive and aggressive community colleges in the state. Public vocational education and private employers seem to exist in two separate worlds, with few efforts at coordination between the two.

The relationships between firms and CETA programs proved similar. A few firms--often the largest and best-established firms--had hired some CETA-trained individuals, often using community-based organizations as intermediaries. For example, Xerox had hired some CETA trainees through the Urban League and SER-Jobs for Progress; Austin Circuits Inc. contracted with SER to provide trainees even though the firm had to dismiss a previous CETA trainee. Two firms had more extensive experience with CETA: Motorola in Austin had hired a number of CETA trainees, including several handicapped workers; and Magnetic Peripherals Inc., located in a Hispanic barrio in San Antonio, had relied heavily on SER to recruit and provide remedial training with CETA funds. These firms used CETA primarily for hiring clerical workers and unskilled entry-level blue-collar workers, and only occasionally for hiring semiskilled blue-collar and service workers; they rarely hired any skilled, professional, administrative, or sales workers through CETA.

The other 87 percent of the companies we interviewed acknowledged no direct contact with CETA, a figure that approximately reflects the national experience.[16] Although personnel and training directors displayed little overt hostility toward CETA, some CETA program operators in Texas did complain of business animosity toward their efforts. While it is difficult to be sure what the attitude of firms in Texas toward CETA programs are, it is clear that contact between employers and CETA is limited to a small minority of firms.

With a few exceptions, then--Texas Instruments with its efforts to link its own programs with existing vocational education, the efforts of Motorola and Magnetic Peripherals to work with the CETA program--links between private employers and public training programs were found to be weak. By and large, employers are simply unaware of public efforts, and they do not see public education and training as possible complements or substitutes for the courses they run themselves. Based on the experiences of firms surveyed, the goal of cooperation between the public and the private sector is a long way from realization.

THE CONTRASTS WITH PUBLIC TRAINING PROGRAMS

In investigating the content of firm-based training programs, a number of significant contrasts with public training programs emerged. These structural variations between the public and private sectors suggest why it may be difficult to achieve integration of the two.

Perhaps most obviously, the methods of recruiting trainees are different. Almost without exception, firm-based training programs recruit their trainees from the ranks of regular employees. This means that a double screening procedure often takes place: every trainee in a firm-based program has first been screened upon initial hiring, and then has been further selected as someone likely to benefit from additional training.[17] Part of the information used in the second screening is evaluation of behavior and performance on the job. In contrast, postsecondary vocational education programs usually have the much more rudimentary screening process of self-selection, since only those with the initiative to enroll and with the time or money to attend courses are included; and CETA has a "negative" screening procedure (especially in Job Corps and programs run by community-based organizations), one which seeks to identify and train those individuals who are the least well prepared for employment. The differences in the recruitment procedures is another reason to suspect that firm-based programs are more efficient screening mechanisms than are public programs; public programs are unlikely to be good substitutes for this particular dimension of firm-based training.

Another obvious difference involves the placement procedures. In contrast to CETA and postsecondary vocational education, in which placement is a continual problem for most programs, the placement problem is largely nonexistent for firm-based programs. For most in-housing training, firms accept almost all the "graduates"; thus advancement and reward for completion of the program are almost certain, compared to the tremendous uncertainty of training programs external to firms. In addition, most firm-based training programs provide a wage somewhat above minimum wage to their trainees, while those in public programs receive nothing (in vocational education) or a pittance (in CETA). As a result of a virtually guaranteed advancement and continued earnings, the dropout rate in almost all the firm-based programs we examined was close to zero--"almost unheard of"--whereas rates of noncompletion in postsecondary vocational education programs and CETA (especially Job Corps, often considered the most effective CETA program) are extraordinarily high. The contrast with firm-based programs suggests an inherent limitation of public training programs uncoordinated with employers: the uncertainty of placement is all but unavoidable, but it in turn generates high dropout rates and undermines the ability of the program to pass on employment-related skills. In this dimension, at least, the conversion of all public programs into firm-based programs would be an advantage to the quality of training.

The final contrast between the public and the private sector is among the most important: the attitudes toward and treatment of disadvantaged individuals, especially minorities and women. Of the companies we interviewed, one has established what appears to be a stellar program: Control Data Corporation intentionally located its subsidiary, Magnetic Peripherals Inc., in a poor neighborhood of San Antonio in order to train and employ low-income residents, especially female heads of households. The company has worked extensively with other institutions--notably the City of San Antonio in providing day care, and SER and NAACP, which recruit and train women with CETA funds--in order to provide the necessary support for the people they hire.[18] Several other firms also stand out, though less spectacularly, in the area of providing training and employment for disadvantaged individuals: IBM in Austin has worked with the Texas Alliance of Minority Engineers (TAME), a summer program for minority high school students with special abilities in science; Motorola has hired relatively large numbers of handicapped workers; and Xerox has also worked with CETA.

However, the attitude toward disadvantaged workers of the other employers interviewed was one of indifference tinged with defensiveness. In response to the question, "Do you make a special effort to train minorities and women?" the standard answer was, "We are an equal opportunity employer." This refrain was repeated automatically in company after company, without any detail on special efforts to recruit, train, or hire women and minorities. All those interviewed seemed uncomfortable with the question and reluctant to pursue it further. Several respondents detailed problems their firm had experienced in hiring minorities--for example, qualified minorities did not apply for job openings, or could not pass the prescreening examination--without any suggestion that the firm bore a responsibility to recruit more intensively or to provide special training.

Furthermore, in responding to the question whether there was something the government could do to motivate increased training of women and minorities, most respondents denied that there was anything that could be done. One training director mentioned the possibility of tax credits, but was unaware of the Targeted Jobs Tax Credit that has been in effect since 1978. (The lack of familiarity of Texas firms with this tax credit is not particularly surprising, however, since its rate of use across the country has been relatively low.[19]) If we had to rely on the views of these firms, the employment problems of the disadvantaged cannot be addressed through public policy; incentives for private firms to provide training are ineffective and unwanted. Furthermore, existing public programs are either unknown to them or bear the stigma associated with the disadvantaged, government red tape, and the history of CETA fraud.

Sadly enough, the shining example of Magnetic Peripherals Inc. seems the exception that proves the rule: most firms are uninterested in the employment problems of disadvantaged minorities and women, and display no sense of responsibility for remedying these problems. This dismal conclusion suggests that President Reagan's dream of having the private sector take over training responsibilities from the public sector will, given the current attitudes of most firms, eliminate the training opportunities that now exist for disadvantaged minorities and women and further reduce their opportunities for decent employment.

The contrast between public and private training programs generates some ambiguous conclusions. Clearly, private programs work better, in the sense of having higher placement rates, lower dropout rates, and better screening mechanisms. But they are also severely limited in what they do: they largely ignore the general skills that have been the heart of conventional education and training programs, and they virtually ignore the disadvantaged who most need additional training. For all their strong points, firm-based training programs offer little promise to become the panacea that some have claimed them to be.

THE PRIVATE SECTOR AND THE DISADVANTAGED: THE NATIONAL ALLIANCE OF BUSINESS

Our disturbing evidence about the unwillingness of employers in Texas to train and hire disadvantaged minorities and women is relatively strong, since so few of the thirty firms we interviewed displayed anything more than embarrassment at the topic. However, it is still possible that the firms we interviewed were an unrepresentative sample, or that companies in Texas are peculiarly indifferent to the disadvantaged. To examine further the possibility of using the private sector to improve the employment of the hard-to-employ, we examined the efforts of the National Alliance of Business (NAB), an organization established for the very purpose of enhancing the role of the private sector in training the disadvantaged.

NAB is an independent, nonprofit coalition of businesses created in 1968 as a public/private sector response to the 1966 urban riots. Initiated by presidential directive and designed by business leaders, NAB originally served as a liaison between industry and the disadvantaged unemployed. The first NAB program, Job Opportunities in the Business Sector (JOBS), was an unprecedented merger of business and government in the area of manpower development. President Johnson explained the NAB role:

> Essentially the program will work this way: the government will identify and locate the unemployed; the company will train them and offer them jobs. The company will bear the normal cost of training, as it would for any of its employees. But with the hard-core unemployed there will be an extra cost. These men will be less qualified than those the employer would normally hire. So additional training will often be necessary. . . . When the company undertakes to provide these services, it is appropriate that the government pay the extra cost as part of the national manpower program.[20]

The federal government provided up to $3,500 in training subsidies per trainee, with the Department of Labor responsible for negotiating and administering the contracts. NAB recruited job pledges from business and developed guidelines through its fifty metropolitan and regional offices. Eligibility for the JOBS program was limited to poor persons who did not have suitable employment and who were either high school dropouts, under twenty-two years of age, forty-five years of age or over, handicapped, or subject to special obstacles to employment.

Between 1968 and 1971, the NAB program placed approximately 93,000 persons. The majority of the JOBS placements were on manufacturing assembly lines; they therefore involved mostly semiskilled work. With the exception of the auto industry, the assembly line work paid poorly. Only one third of placements were subsidized by the government. Little attention was given to training; for the most part trainees received informal on-the-job training. Business executives considered the paperwork necessary to receive training subsidies too complicated and time-consuming to bother with, nor did they wish to invite government scrutiny of their business practices.

NAB record keeping was haphazard in the early years. Claims of success in training and hiring the disadvantaged were not supported by empirical evidence. A 1973 Conference Board Report on the NAB-JOBS program reported: "Over the past three years very few companies [participating in JOBS] have never hired [disadvantaged individuals] before, and of these the impact of NAB has been almost negligible. Of the 1,732 companies that reported that they hired the disadvantaged, only 57 (3 percent) had not employed them before 1968 and of these only ten (.6 percent) relatively small companies pledged jobs to NAB."[21] The recession of the 1970s affected NAB severely. A NAB official explained the reason for the severe drop in JOBS placements: "It's hard to imbue businessmen with a sense of social conscience when business is bad."[22]

The recession and the enactment of CETA legislation changed the role of NAB, since the JOBS program became a CETA responsibility. The 1978 Private Sector Initiative Program (PSIP) amendments to CETA led to a more active role for NAB as the technical adviser to Private Industry Councils (PICs), offering mobile training seminars and workshops. NAB also has established a national Information Clearinghouse to provide PICs with information on various program models.

However, the redirection of NAB seems not to have eliminated the flaws of the earlier program. One criticism of the NAB-JOBS effort was that trainees were placed with any employer who would hire them, without training programs to provide them with employability skills. This problem persists, since NAB job developers look for employment rather than positions that will provide training. In one way NAB has diluted its commitment to the disadvantaged: while all NAB trainees were at one time certified disadvantaged, this is no longer a criterion. For example, the Houston office of NAB placed 5,020 youths in jobs in 1981. The director estimated that 50 percent were disadvantaged, and the remaining individuals came from middle-class families.[23]

The NAB regional headquarters in Dallas serves as the technical adviser to PICs. The regional offices are also attempting to sell the NAB concept to more Texas businesses through seminars. However, officials admit that, as in the early 1970s, industry is not as willing to commit itself to providing jobs for the disadvantaged in recessionary times as during periods of economic boom. Recent CETA cuts have placed heavier demands on all NAB offices in Texas, so that currently NAB is in no position to play a major role in delivering the state's training and placement services. The small NAB staff size also limits the amount of telephone and mail contacts NAB offices can make. In contrast to its role between 1968 and 1972, when it at least had training subsidies and the memories of urban riots as inducements to businesses, NAB has been reduced to a small organization with only the hortatory power of an often-ignored ideal to work with.

The NAB experience provides little reassurance about the potential role of the private sector in training the disadvantaged. Even in its heyday, NAB's effect in convincing firms to hire disadvantaged individuals was tiny and the number of new jobs made available to the disadvantaged was marginal; furthermore, the quality of jobs was hardly the best, and training opportunities were largely ignored. The collapse of NAB in the 1973 recession and its difficulties in Texas in the recent recession show how weak business commitment is: just when the program is most necessary, during recessions, employers pay it less attention than ever. The rejuvenation of private sector efforts--in President Reagan's Jobs Training Partnership Act, which will give a greater role to the private sector through PICs and will probably increase the participation of NAB[24] --has in fact been legislated, but not because of any evidence that this is the best way to train and employ the disadvantaged.

CONCLUSIONS

Based on our evidence, there has been an increase in firm-based training during the last decade in Texas. This does not mean that all firms provide training, of course: the limitation of training programs to the largest firms and to those firms with some specific skill deficiencies suggests that the claims on behalf of firm-based training are overblown and the fears of educators that firms will take over education are unfounded. Still, firm-based training seems to occupy a distinctive niche in the education and training field: the skills it provides--especially firm-specific skills of various kinds--cannot in most cases be readily provided by public or other external programs. Firm-based programs also enjoy great advantages in recruitment, screening, retention, and placement. Unfortunately, their advantages in these areas are due specifically to the fact that trainer and employer are one, and such advantages are unlikely to be reproduced within public programs as long as employers and public programs are so widely separated.

From the vantage of the firms we interviewed, the separation between the private and public sectors does seem relatively wide. Personnel and training directors are relatively ignorant about vocational education and CETA programs. While they are not actively hostile, they tend to feel that there is nothing the government can or should do to enhance their training activities. Above all they reject the idea that the government could provide incentives--for example, tax credits or direct subsidies--to help them train the disadvantaged. The evidence we have confirms the distrust of government by the private sector, a distrust that has always made public-private cooperation more difficult. This in turn suggests that the separation of public education and training from employers and the inability of public programs to coordinate their efforts with the private sector are caused not only by the tendency of government programs to ignore the private sector, but also by the indifference (and sometimes the opposition) of employers toward public efforts.

Finally, our evidence indicates that, as matters now stand, relying on the private sector to resolve the problems of those without employment skills--including many (though not all) minorities and women, the handicapped, the poor, and others left out of the economic mainstream--is an unworkable solution. With only a few exceptions, indifference toward the disadvantaged is typical of employers in Texas, and a lack of a strong sense of social responsibility is pervasive. The past history of more organized efforts like the National Alliance of Business to create training opportunities and decent employment for the disadvantaged is discouraging. As long as there exists neither carrot nor stick to force employers to change their behavior--neither the carrot of public subsidy, which employers uniformly reject and which has been unsuccessful in the Targeted Jobs Tax Credit, nor the sticks of tight labor markets or strict enforcement of existing laws against discrimination in hiring, training, and promotion--then it will be necessary to continue relying on public programs to provide most opportunities for the disadvantaged.

NOTES

1. See, however, the citations in footnote 6 of the Introduction.

2. See the "Survey of Continuing Education," New York Times, August 30, 1981.

3. For other evidence that large firms dominate firm-based training, see Seymour Lusterman, Education in Industry (New York: Conference Board, 1977).

4. Interview with George Metott, Director of Training, Texas Instruments, Austin, November 11, 1981.

5. Interview with David Olski, Director of Training, Motorola Inc., Austin, November 12, 1981.

6. Interview with Margaret Casey, Director of Education, Seton Hospital, Austin, November 11, 1981.

7. Interview with Milo Hackell, Maintenance Trainer, Plastics Manufacturing Co., Dallas, February 4, 1982.

8. Interview with Michael Locke, Director of Training, Delta T, Inc., Dallas, February 4, 1982.

9. Interview with Cindy Yarborough, Director of Training, Gillingwater Management, Austin, November 6, 1981.

10. In another case dealing with engineers at the B.A. level and above, a vice-president of an engineering firm claimed that they offered training programs because their engineers were deficient in communication skills and needed to learn the company philosophy. Interview with Neal Kocurek, Vice President, Radian Corp., Austin, September 20, 1981.

11. Interview with Jean Wilson, Personnel Assistant, Southwestern Life Insurance Co., Dallas, February 5, 1982.

12. This observation is consistent with Gary Becker's assertion that firms will try to reduce turnover among specifically trained employees so as not to lose their training investment by paying them somewhat higher wages than they could earn elsewhere as an untrained worker. Gary Becker, Human Capital, 2d ed. (New York: National Bureau of Economic Research, 1975), ch. 2.

13. Robert Craig, Vice-President of the American Society for Training and Development (ASTD), claims that there is considerable general skill training among its member firms. However, ASTD members appear to concentrate on managerial-level training, rather than the pre-B.A. training we

have examined. One possibility is that firm-based training programs differ considerably for different levels of the labor force.

14. Lusterman, Education in Industry, pp. 63-64.

15. Interview with George Metott.

16. A survey by the U.S. Chamber of Commerce and the Gallup organization revealed that 80 percent of respondents used CETA "hardly anytime," "none," or had never heard of it (A Survey of Federal Employment and Training Programs [Washington, D.C.: U.S. Chamber of Commerce Forecast and Survey Center, 1978], p. 2).

17. Of course, there are some firm-based programs which a firm requires all employees in a particular occupation to take; in these cases the second screening procedure does not take place.

18. Interview with Max Navarro, Manager, Personnel/Administration, Magnetic Peripherals Inc., San Antonio, February 18, 1982.

19. For an early evaluation of the Targeted Jobs Tax Credit and other employment subsidies, see Robert Haveman and John Palmer, eds., Jobs For Disadvantaged Workers: The Economics of Employment Subsidies (Washington, D.C.: Brookings Institution, 1982).

20. Employing the Disadvantaged: A Company Perspective (New York: Conference Board, 1973), p. 1.

21. Ibid., p. 37.

22. Ibid.

23. Interview with George Trayling, Director, NAB-Houston Metro, March 5, 1982.

24. See, for example, Bureau of National Affairs, "'NAB' Would Take Lead in New System, 'NAPIC' Sees Enough Work for Everyone," Employment and Training Reporter 14 (September 29, 1982): 83-85.

CHAPTER TWO

TRAINING OFFERED THROUGH POSTSECONDARY VOCATIONAL EDUCATION

For nearly two decades, community colleges have been the fastest growing educational sector in the United States, and Texas has followed this national pattern. In 1961-62, there were forty-five programs of vocational-technical education in thirty postsecondary institutions with an enrollment of 1,997. By 1979-80, sixty-five institutions offered 1,600 programs with an enrollment of 320,330.[1] Increasing enrollments in postsecondary occupational education are expected to continue into the 1980s.[2]

A favorable economic climate and high rates of population growth have contributed to the expansion in Texas, of course. But another significant factor is the flexibility of the community colleges. For some students, they still provide the promise of access to a conventional B.A. degree. For others--a growing fraction--they offer a terminal program of vocational skills training. They provide adult programs as well as programs tailored for students somewhat older than the typical college population, remedial programs as well as conventional academic programs, avocational as well as vocational courses, and short-term as well as two-year programs. The range and variety of offerings are surprising.

Through their course offerings, community colleges have accommodated the demands of students for more vocational training. They have also been the most responsive of all educational institutions to the training needs of business and industry. In each of the sixty-five community colleges and technical institutes across Texas, there exists a wide array of cooperative relationships with employers. Flexibility has been a major advantage enabling community colleges and technical institutes to respond to employer requests. For example, when postsecondary institutions have been unable to offer courses for academic credit, they have provided training on a noncredit basis. Course formats have ranged from single afternoon workshops to open-entry, open-exit training to regular semester-long courses. Finding themselves short of facilities, many schools have accepted invitations from firms to conduct training at work sites. The use of part-time instructors, including supervisory personnel from firms, has allowed schools to mount special training programs rapidly. (Perhaps as important, it has facilitated closing programs no longer needed.) As relatively new institutions, community colleges and technical institutes have had few long-established traditions to maintain. They have been readily able to adapt new modes of training, new course formats, and new training sites nearer to the workplace.

Postsecondary education has also escaped the pressures and cost constraints imposed on CETA programs to offer only short-term, high-volume training; and they have not been required, as CETA has, to emphasize the disadvantaged almost exclusively. Nor have they been forced, as firm-based training has, to gear their training to the particular needs of one firm and to provide firm-specific training; they have been in a relatively better position to combine general and specific training. Rather than being governed by the needs of firms, most postsecondary officials claim a special responsibility to their students (and to the citizens and taxpayers who fund them), a responsibility discharged by giving students transferable occupational skills which ought to increase their earnings, enhance job security, and improve job mobility. In sum, of all the occupational training programs we have examined, postsecondary training is the least fettered and the most flexible in developing different kinds of programs.

In addition to benefitting both firms and students, postsecondary institutions claim to help fulfill social goals by opening training opportunities to women and minorities; in fact, federal aid under the Vocational Education Act of 1963 and its amendments now requires such targeting. Particularly in areas with large minority populations, like San Antonio, community colleges do enroll large numbers of minorities; the indifference toward the disadvantaged found in firm-based training has not generally been true for postsecondary vocational education. In addition, vocational education proves to have one substantial advantage over CETA programs in training the disadvantaged: because vocational education does not have the stigma that employers have attached to CETA, its graduates do not face the automatic barrier that CETA trainees often have to overcome. As a result, vocational education is often viewed as a more effective strategy for moving the disadvantaged into decent employment.

Despite the advantages of greater flexibility, less stigma, and--in a period of serious federal budget cuts--relatively stable funding from state and local sources, several problems have bedeviled the community colleges. The evidence on their effectiveness in providing students with employment skills, earnings advantages, and more stable employment is mixed at best.[3] Recent evidence indicates that almost two decades of efforts to emphasize the needs of the disadvantaged have still not been successful;[4] dropout rates are high; and some have charged that community colleges are little more than tracking mechanisms, keeping working-class students out of the B.A. programs that they might otherwise enter.[5] The balancing act that the community colleges are attempting--balancing the needs of students with the advice of employers; and meeting the needs of students of different ages, with both vocational and avocational goals, some of whom need remedial education while others need more advanced courses--is a difficult one, and sometimes threatens to come apart under the pressure of contradictory demands.

In this chapter, we will examine two central aspects of community colleges in Texas: their relationships with employers, both through advisory councils and through efforts to establish joint training programs with business and industry; and their efforts to include minorities, women, and other groups like the handicapped, who are in greater need than the general population and tend to suffer higher rates of unemployment and underemployment. Our analysis highlights some features of exemplary training programs and suggests alternatives to enhance occupational training in postsecondary vocational education.

PRIVATE EMPLOYERS AS ADVISERS

National policy on vocational education requires the involvement of the private sector in public programs of occupational training. The Vocational Education Act amendments of 1968 (P.L. 90-576) dictate the establishment of a statewide citizens' advisory body to undertake certain duties spelled out under federal and state law. In response, Texas formed the Advisory Council for Technical-Vocational Education in Texas (ACTVE) in 1969. By law the twenty-four member council contains representatives from business as well as labor, local school boards, employment and training institutions, correctional institutions, students, minorities, women, agriculture, and the general public. Its purpose is "to establish a climate conducive to the development of technical, vocational and manpower training in education institutions in the State of Texas to meet the needs of industrial and economic development of the state."[6] ACTVE serves an advisory committee to the State Board of Education.

Federal law also requires the use of advisory committees at the local level. The Vocational Education amendments of 1976 require that vocational education institutions "shall establish a local advisory council to provide such agency with advice on current job market needs and on the relevancy of courses being offered by such agency in meeting such needs."[7] In Texas, each postsecondary institution must have a general or institution-wide advisory committee. In addition, it may establish a network of committees to advise it on the content of the specific programs.

The State Board of Education has defined the types of committees, their responsibilities, and their membership composition. The general advisory committee assists institutions in developing long-range goals and plans and recommends the overall vocational program design for the school as a whole. Local occupational advisory committees advise the administrator and instructors in a certain occupational area. They may be of two subtypes--occupational or craft advisory committees and program advisory committees. Craft advisory committees serve a single occupational area (e.g., nursing), whereas program advisory committees serve a cluster of related occupations (e.g., allied health). Characteristics of the individual institution--such as the number of branch campuses and variety of occupational programs--account for the variations in the structure and number of advisory committees.

In addition to standing advisory committees, schools may establish temporary committees to consider the need for new programs. For example, the Dallas County Community College District uses Task Force Committees to initiate programs.[8] These groups provide employer advice about a prospective occupational program. Once student interest is assessed and a decision is made to start the program, some of the same committee members serve on the occupational program advisory committees or the occupational craft advisory committees.

Each of the seven branch campuses in the Dallas County Community College District has its own set of occupational craft committees for programs offered at that campus. Even smaller institutions may use a variety of committees. For example, Central Texas College, located in a small metropolitan area whose major industry is the U.S. Army, has an advisory committee for each program area, and generally forms a new committee to plan any new program.[9]

Just as the types of advisory committees are prescribed by the State Board of Education, membership is defined so that committees represent the views and needs of the public in the design of vocational education programs. A handbook for technical/vocational educators in Texas, entitled Effective Use of Advisory Committees, suggests that representatives of business, industry, the professions, agriculture, labor and manpower commissions, and other educational organizations serve as members of general advisory committees to represent the community as a whole. Moreover, it suggests that occupational committees consist of employee supervisors, employers, industrial training directors, personnel directors, and supervisory representatives of organized labor.

To ensure close links with the business community, colleges often include persons with whom they are involved in joint training efforts. For example, Dallas County Community College District (DCCCD) operates a training program with a Dallas utility company. The company supervisor in charge of this joint effort is a member of the Automotive Technology Advisory Council on the Eastfield Campus of DCCCD.[10] Again, advisory committees differ in the ways they fulfill the requirements for representation. For instance, Central Texas College (CTC) operates many training programs for the army post at Fort Hood, Texas; members of the armed forces advise in the development of programs for army personnel, and they also serve directly on the advisory committees.

To be sure, the intended structure of advisory committees and their actual functioning may be two different things. The history of vocational education is full of efforts to force the interaction of educators and employers through advisory committees and to make advisory committees something more than mechanisms of legitimation for what vocational educators would do anyway. The natural antagonism of teachers as professionals to those "outside" education telling them what to do and the lack of knowledge and interest of business executives in public education programs have both been serious barriers, ones whose resolution is still haphazard and dependent on the good will of local participants.[11] Still, in the structure of advisory committees we can discern a variety of roles intended to reduce the separation between college and employers, and to enhance the placement rates of graduates in various ways. According to the Texas Education Agency (TEA), the responsibilities of advisory committees on the local level include advice about curriculum content, career guidance and placement, community resources, and program review.[12]

With surveys of local personnel needs and task inventories to determine the skills needed by local industry, advisory committees can help community colleges in curriculum design. For example, College of the Mainland (COM) uses a structured exercise called "Developing a Curriculum" in which advisory committee members use labor supply forecasts and task analyses to design or change program curricula.[13] Other community colleges use their advisory committees in much the same way to assess changing work force requirements in the community, to prevent their training from being inconsistent with local demand patterns. Advisory committees also provide information on technological advances and other changes in firms, to make sure that course content is appropriate to the changing needs of business and industry.

However, to assure that training offered is applicable to a wide range of firms, schools cannot rely solely on information from advisory committees. Committee interests may not be representative of the industry as a whole--for example, an individual member may advocate that a certain work process used only by his firm be taught. Texas State Technical Institute in Waco has found a reasonable way to circumvent this problem, which is essentially the problem of inappropriate pressure to provide firm-specific training. An inventory of tasks performed on the job is regularly taken, using the responses of a wide sample of the industry, and the curriculum is built upon those task areas most frequently mentioned--that is, skills which are relatively general in the industry. Skills which are infrequently mentioned--in other words, those that are relatively firm-specific--are not included. The advisory committee is used to help develop the task inventory and to help interpret the results, but beyond that the committee is structured so that individual members cannot exert undue influence. The committees also operate on a well-established set of ground rules: for example, advisory committees emphasize what to teach rather than how to teach it.[14]

Advisory committees may also benefit students by providing career guidance and student placement. By informing local employers of the capability of the vocational program and helping students locate part-time jobs during training, advisory committees can serve as strong links between the school and the workplace.[15]

Advisory committees survey both schools and businesses in their efforts to identify community resources that can be used in the vocational program. Community resources can include equipment, instructional materials, and funding. Particularly when equipment is expensive, hard to obtain, or constantly changing--as is true for sectors with rapidly changing technologies--borrowing equipment is a solution that many community colleges use. Furthermore, advisory committees assist in establishing instructor qualifications and in recommending instructors for vocational programs. This role can be especially important for those institutions located outside of major metropolitan areas, whose resources for instructors may be limited. For example, College of the Mainland relies on its advisory committees to draw upon resources in the greater Houston area--including instructors, speakers, and on-the-job training opportunities.[16] Finally, advisory committees can improve program instruction by collecting and maintaining current industrial publications and visual aids. These functions are intended to keep instruction in step with industry practices and technological changes, to prevent the all-too-frequent charge that vocational programs are outdated.

To assess community needs continually, advisory committees ideally engage in program review. They may assist with long-range planning and formulation of goals for the vocational program, with reviewing program budget requests, and with advising instructors about the student follow-up program. By helping postsecondary vocational education institutions in follow-up procedures, advisory committees can often judge the adequacy of occupational programs. At all community colleges, follow-up surveys are sent to program graduates, nonreturning students, and employers. Students are asked to evaluate the program in which they were involved, noting if they had met their personal objectives as a result of the occupational program. Employers surveyed are questioned as to the adequacy of the training a student received at the community college in relation to his or her present job.[17] Although the quality of information is often poor and colleges vary in the extent to which they use follow-up studies, the results may be shared with advisory committees as information for program evaluation. However, program evaluation is a sensitive function for advisory committees because it may damage the committee's relationship with school officials.

In developing their programs, all community colleges use a roughly similar procedure to assess the needs for new programs. The process begins with a survey of industry needs, student demand, and local or regional labor market needs. After examing the responses, advisory committees suggest the types of training and skills to be taught. Concurrently, faculty and professional advice is solicited. The final program recommendation is then sent to the Texas Education Agency for approval.

However, several community colleges depart from this process in various ways. In determining the feasibility of a program, San Antonio College relies more on student demand and community need than on the prerogatives of community college administrators.[18] Similar to San Antonio College, College of the Mainland also places greater emphasis on the needs of students, suggesting that students are the college's primary clientele.[19] This is also true at Central Texas College, where the college may offer programs or courses due to student demand even if the related industry is not located in the central Texas area. For example, Central Texas College offers a program in computer science because there is a heavy student demand for it even though there exists little local labor market demand for computer occupations. However, graduates of the program are much in demand for jobs in other labor markets.[20] The emphasis on student demand at many colleges is partly a function of the institutional structure of postsecondary vocational education. Because the funding for community colleges in Texas is based on the number of contact hours, administrators often consider student demand the most important factor in determining program development.

Many community colleges have established links with other local organizations, to supplement the information they receive through advisory committees. For instance, San Antonio College enlists the aid of such community organizations as the Mexican-American Legal Defense and Education Fund (MALDEF), the Mexican-American Businesswomen's Association, and the National Women's Employment Education Program to provide Hispanic women with information about job opportunities outside of traditional careers for women.[21] The diversity of industry may affect such links; for example, Texas City, in which the College of the Mainland is located, has only two primary industries--the petrochemical and marine technology industries. The college has therefore sought out professional and community organizations in Houston to aid in its vocational guidance and placement for occupations not found in petrochemicals or marine technology. Such organizations as the American Institute of Banking and the Legal Secretaries Association participate in panel discussions in classrooms, offer vocational guidance, and provide OJT (on-the-job-training) experiences in order to give students opportunities to work in labor markets other than Texas City.[22]

The size of the postsecondary institution can also influence the use of other informal community links for curriculum development. Because of the large size of the Dallas County Community College District, program development is handled centrally at the district office through the use of task forces. Through feasibility studies (i.e., mail and telephone surveys to employers), a task force is better able to assess the demand and availability of jobs in the Dallas labor market. Once the district office has approved a program based on task force recommendations, the program development process shifts to one of the seven campuses which comprise the district. In general, each campus is responsible for the programs appropriate for firms located close to the campus. For example, all aviation programs are located at Mountain View Community College, which is close to the Dallas-Ft. Worth Regional Airport; and El Centro College, located in the central city of Dallas where hospitals and major businesses exist, offers the occupational programs in medical technology. The District Executive Council, comprised of the college president from each campus, makes the ultimate decision to offer new programs based on student demand. At this point, advisory committees are created on individual campuses for specific curriculum design.[23]

To be sure, the ideal procedures for advisory committees are not always followed. Many remain paper organizations, and others serve simply to frustrate all participants. Despite the difficulties involved in getting advisory committees to work, there seems to be a greater awareness in Texas of the value of advisory committees, as well as a greater resolve at the state level to make them work. The potential value of advisory committees in preventing the recurring problems of vocational education--its distance from employers, the tendency to train students for jobs in low demand, or with outdated equipment and methods--is substantial; their possible role in balancing the needs of students and the needs of employers--of balancing specific and general training, for example--is similarly invaluable.

SCHOOLS AND FIRMS AS JOINT TRAINERS

Another link between public programs and private employers involves joint ventures at the postsecondary level. Although joint training takes several forms, its underlying rationale is always to combine the strengths of each participant. The business community offers its expertise and resources to the postsecondary vocational education institution, to minimize the problems of irrelevant curriculum and outdated equipment. At the same time, students can gain those skills that are most effectively taught in the classroom, as well as those general skills that fit them for employment in a number of firms and jobs. Joint training therefore seems an ideal way to bridge the potential gap between public occupational training and employers, and to reconcile the need for both general and specific skills.

Joint training still involves a minority of postsecondary trainees, to be sure; however, as an indication of how occupational training can be structured, it is important beyond the number of students it enrolls.

Four types of joint training are used in Texas: customized training, industrial start-up, apprenticeship training, and skills upgrading. They vary in scope and duration, in the extent of skill training, and in administrative structure. Certain factors determine which model is used for particular training programs including employer and labor market needs, type of occupational trade, program enrollment, and the availability of financial and physical resources.

Customized Training

In customized training, training is "custom-fitted" to the needs of a particular firm. Like much firm-based training, this model provides for the teaching of skills unique to a particular employer. The duration of these cooperative efforts ranges from two weeks to one year.[24] Administrative responsibilities are most often undertaken by the business, but the postsecondary institution does have a role in curriculum development. Often the courses developed are offered on a noncredit basis, which makes it easier to secure approval from TEA. For example, in response to the needs of particular employers, the College of the Mainland occasionally offers on-the-job training (OJT) courses for individual firms at their request; subject areas have included courses in records management, word processing, and business communication.[25]

Enrollment in customized training is sometimes limited to employees of the firms because the firms involved contribute toward the cost of the program or provide their own physical facilities for instruction. However, under such enrollment limitations, courses may not attract sufficient numbers of students. San Antonio College arranged a customized training program for a firm in the San Antonio area, at the firm's request. Employees of the firm were to attend the training program at San Antonio College, but the small number of participating employees prompted the college to consider the "cost-effectiveness" of the program. Such program costs as faculty time, building use time, and utilization of school equipment for training were studied by the business office of the college. The delay in instituting the program due to this study resulted in the firm dropping the training program arrangement with the college.[26]

The Dallas County Community College District (DCCCD) has a specific procedure to facilitate customized training efforts. The steps in this process include:

1. company appraisal of training needs;
2. participation with college staff in the development of a training program to meet specific needs;
3. scheduling training sessions at the company location or at one of the campuses; and
4. evaluation and refining of training programs due to technological advancement or changes in company needs.[27]

This procedure guarantees that the college and the firm are partners in training efforts.

Industrial Start-Up

Another type of joint training model in which postsecondary vocational education institutions participate is the Industrial Start-Up Program. This program is a joint venture among three state agencies: the Texas Industrial Commission (TIC), the Texas Employment Commission (TEC), and the Texas Education Agency (TEA). The program, "designed specifically to help meet the immediate work force needs of industries considering plant location in Texas,"[28] is primarily viewed as a way for TIC to attract industry to Texas.[29] The program's flexibility allows it to offer training tailored to the particular needs of the incoming industry, since in general the industry dictates the content of training. To perform training, the program has direct access to all occupational training facilities in Texas--the junior and community colleges, technical institutes, school districts, and some senior colleges.

The implementation of Industrial Start-Up Training Programs includes the following five stages:

1. analysis and identification of the firm's "start-up" labor force requirements;
2. designation of a training institution and the design of a training program;
3. initial recruiting and screening of the work force;
4. implementation of the training program; and
5. monitoring of the program to ensure the desired results.[30]

The majority of the financial burden associated with the training program is assumed by TEA, through their normal support of vocational education and by TEC through supplementary training funds. For example, at the Austin Community College (ACC), the Office of Business, Industry, and Government Programs has helped firms who are relocating or expanding their workforce in Austin by training individuals for the new jobs.[31] San Antonio College has provided Industrial Start-Up at one of its campuses, particularly in the needle trades, drafting, and heavy metals.[32]

Unlike customized training, which provides some school-based general training, Industrial Start-Up provides none. Furthermore, most of the "training" involves semiskilled operations, rather than the training for more skilled occupations in customized training or in much of the regular community college curriculum. Apparently, most firms are happy with the program and claim that it reduces turnover in the first year, which is not particularly surprising since the program serves as a publicly funded screening mechanism to weed out unstable workers. Whether the program provides any permanent benefits to trainees remains doubtful.[33] In effect, the bias of the program toward low-skill, specific training stands as a warning against too much reliance on the dictates of firms in shaping training programs.

Apprenticeship

A third model of joint training is apprenticeship. Apprenticeship is of a longer duration than customized and Industrial Start-Up training because the training is designed to facilitate advancement from novice to journeyman craftworker. The length of training varies from one to five years, according to national standards set for the particular trade. All apprenticeship programs include a mixture of on-the-job training (OJT) and classroom training. The classroom training is often conducted under the auspices of the community college. Apprenticeship classroom instructors are recruited from two sources--instructors from the college with the required expertise, and trained craftworkers from the firm who have a strong background in the trade. Decisions regarding administrative structures in apprenticeship programs depend upon various factors: (1) supervisor involvement, (2) determination of skills, (3) classroom scheduling and tuition payment, and (4) credit vs. noncredit courses.

The College of the Mainland and Dallas County Community College both offer apprenticeship programs, all in manufacturing occupations. In all programs, an apprenticeship director or coordinator from the firm or industry experienced in the particular occupation being taught is involved in training. This director has advisory responsibility for informing the colleges what firms expect from classroom training. The community colleges either have joint training duties or serve in an advisory capacity for the apprenticeship program. The classroom instructors for the apprenticeship program at the College of the Mainland are primarily from the industry and are first-line supervisors hired by the college at a rate of pay based on experience and qualifications.

The primary concern of a firm in an apprenticeship program is that trainees learn the necessary skills. The College of the Mainland program offers "core courses" that all apprentices in a particular industry--in this case, the petrochemical industry--take. Trainees then take other courses tailored to the firms where they are to be employed. Actual course offerings are determined jointly by the college and the firms for both general and specific skill training.[34]

In two of the apprenticeship programs, classroom instruction is conducted on company time; the other requires trainees to attend classes after work. The tuition costs of classroom instruction are usually paid by the company; for example, at College of the Mainland apprentices are expected to receive a certain number of hours of related instruction at the college at the expense of the employer.

Apprenticeship courses may be offered on a credit or noncredit basis, depending on the duration and character of the training. In all three apprenticeship programs we observed, the majority of course work was offered for academic credit. Some of the advanced, more customized courses were not always offered for credit, but the basic training courses offered academic credit that could be applied toward a degree.

Since most of the time spent in apprenticeship training occurs on the job, one constraint in apprenticeship programs is that trainees must already have jobs. In this respect, apprenticeship programs are like firm-based training in which all the "students" are employees, and such programs cannot possibly help those who are unemployed. The apprenticeship director at the College of the Mainland viewed this as a real problem for the college's program, especially when industries instigate hiring freezes and layoffs in poor economic times. The director is trying to get an accredited apprenticeship program started for those who are unemployed but need training. In such a program, those to be trained would begin their apprenticeship in college and take the OJT once a job became available. In this way colleges could continue to train individuals during recessions and help prevent bottlenecks of skilled labor from occurring as the economy improves.

Skills Upgrading

The last training model used by postsecondary education institutions stresses upgrading existing skills rather than teaching new skills. Many companies have found that they need to offer further training for their employees beyond initial orientation training, and they use community colleges to fulfill this objective. This cooperative effort benefits the firm through better-trained employee, greater employee morale, and improved productivity; the employee benefits from greater job mobility, increased job satisfaction, and a higher level of earnings. In many ways, skills upgrading is the public counterpart to firm-based training.

The duration of programs varies, depending on whether courses are part of the regular community college curriculum and are offered on a credit or noncredit basis. Generally, firms have ongoing arrangements with community colleges for the provision of training programs under this model. The administrative structure of skills upgrading also differs widely. Decisions about recruitment, financial resources, instructors and facilities, academic credit, and teaching methods all vary. Among three skills-upgrading programs reviewed at San Antonio College and the Dallas County Community College District, participation of the firm varied depending on class enrollment and the types of courses being taught. Most courses offered under this model were in the area of middle-level management.

Recruitment procedures, for the most part, were informal. All employees were invited to register on a voluntary basis. For example, Southwestern Bell Telephone Company distributed an information bulletin to their employees in the San Antonio area describing available course offerings, including Management Communications, Introduction to Management, and Supervisory Management. Fifty employees who responded to this bulletin were enrolled in two classes.[35] Similarly, Mary Kay Cosmetics employees volunteered for courses taught by North Lake Community College instructors on company premises.[36] Unlike regular firm-based training and apprenticeship programs, in which the participants are carefully selected by the firms, this open recruitment procedure offers the motivated employee a wide range of training opportunities. However, unlike apprenticeship, in which there is some assurance that those who complete training will be promoted, no such guarantee is offered to employees participating voluntarily in skills upgrading.

The financial resources contributed by firms are particularly important in skills upgrading. Companies may provide tuition reimbursement for trainees or may finance part of the total tuition cost. San Antonio College's training program with United Services Automobile Association (USAA) developed as a result of a tuition reimbursement program.[37] In another instance, the firm made partial tuition payments, leaving the remainder for the trainees to pay.[38] Many firms consider a tuition program to be the catalyst in motivating their employees to participate in the training offered. A major contribution from the community colleges is the provision of instructors and classroom facilities for training.

When the courses under the skills-upgrading model are a part of the community colleges' curriculum, employees can receive academic credit which counts toward an associate degree. Some firms, such as Southwestern Bell, consider a degree to be an important credential which increases the benefit of training programs; thus the firm may provide financial support to employees in their efforts to complete degree requirements in a job-related field. If a Southwestern Bell employee has completed 50 percent of the courses toward an associate degree, the company pays the individual's tuition for the remaining courses. Although the availability of academic credit is not an overriding factor in the decision for firm participation, it can be a strong incentive for employee participation. What limits class size, however, are the eligibility requirements for tuition reimbursement. Only a fraction of employees are qualified to take advantage of such programs without firms defraying their tuition costs.

Decisions about teaching methods are made in three different ways. Because Southwestern Bell employees were enrolled in San Antonio College courses under the regular curriculum, the college had the major responsibility for decisions about course content and teaching methods.[39] Conversely, Mary Kay Cosmetics made all decisions with regard to the training methods used.[40] A combination of these methods may also be used. Although USAA did not design the courses to be taught, it interacted with San Antonio College professors to ensure that the firm's needs were fulfilled.[41]

Even though joint training efforts are not yet widespread, they strengthen the connection between postsecondary vocational education institutions and private industry. Community colleges have found that joint efforts with private institutions not only enhance the job relevance of training but also result in potential benefits to both students and firms. Happily, these benefits often coincide. However, on certain issues the interests of firms and the interests of trainees may differ. Perhaps the most fundamental collision regards the transferability of skills. Firms often prefer training in firm-specific skills which cannot be transferred to other firms and industries. But the interests of students are often best served by training in more general or widely transferable skills. This conflict introduces a central dilemma for postsecondary institutions trying to meet the needs of both students and firms. One means of resolving the dilemma is to engage in some form of joint training in which general skills can be the focus of the school and the firm can impart firm-specific material.

Although the four joint training efforts discussed are separate models in many respects, several features of these models are similar. Furthermore, the training characteristics of one model may be used within another model. For example, the Industrial Start-Up training model uses customized training tailored to the needs of the new firm. Skills upgrading, distinct in its own right as a training model, is also an objective of the apprenticeship model, and is used in their own training programs by firms which do not base advancement or promotion to higher job levels solely on experience.

Balancing the needs of both firms and trainees should be an underlying objective for choosing a training program, especially since joint training programs vary in the way they balance these needs. Industrial start-up and upgrade training both tend to emphasize firm-specific training relatively more than general training, while customized training and apprenticeship programs allow more room for school-based, general training. If the postsecondary vocational education institution, as a partner in the cooperative training effort, sees the student-trainee as the primary client, the greatest benefits firms can realize come through cooperative training. On the other hand, colleges are also pulled by the demands of firms that public vocational programs provide firm-specific training; in fact, we can see the clearest manifestation of this in the increasing tendency of firms to offer their own training as they find that public programs do not provide enough specific skills. The advantage of joint training is that--if it is genuinely cooperative, as in customized training and apprenticeship programs--it can allow for both students and firms to have their own say in the purposes of training.

The differences between postsecondary vocational education and firm-based training are obvious from their basic structures. Firms, presumably profit-oriented, have no financial incentive to provide general training whose benefits they may be unable to capture; at least as long as community colleges remain structured as they are, firms will be unable to find enough specific training in the public sector. Community colleges, on the other hand, look to students as their most important clients, partly because of reimbursement on the basis of contact hours. This is both their main problem and their main advantage: while attachment to the needs of students may allow them to ignore employers, it also impels them to provide more general training, fitting students for a wider variety of jobs than would otherwise be the case.

SOCIAL GOALS: TARGETING AND OUTREACH EFFORTS

It is not sufficient to look at the benefits of training to firms and to trainees. Other social benefits must also be considered, especially that of equal opportunity. To help ensure that representation of women and minorities among students conforms to their proportions in the population, recruitment or special outreach methods are often used by postsecondary vocational education institutions. Community colleges also often attempt to place these individuals into occupational programs in which women and minorities have traditionally been underrepresented. Most of these targeting or outreach efforts by postsecondary vocational education institutions were developed subsequent to federal requirements begun in the 1963 Vocational Education Act.

Currently, targeting and outreach efforts are increasingly directed toward women, who as a group have been economically disadvantaged and have faced discrimination in the labor market. Such efforts, especially important in light of the growing number of women entering the labor market, have resulted in a steady increase in the proportion of women in postsecondary vocational education since the 1960s.[42] According to one postsecondary vocational education administrator, "The training of women is no longer a luxury for the economy, but has become a necessity. Our colleges have accepted the responsibility to assist in the training of women. There is a clear need in this responsibility for specialized services to women, access to child care support systems, specialized counseling, and placement services."[43]

Various efforts have been made to provide women and minority men with opportunities to take advantage of training programs. One approach already mentioned is the use of community-based organizations--for example, SER-Jobs for Progress and the NAACP--to recruit minority students. Counseling is another method used by community colleges to promote alternative job opportunities, especially for minorities. For instance, Central Texas College offers counseling services to get students into nontraditional occupations. Another method is the provision of support services, such as day care facilities and women's centers on campuses, to give women greater freedom to pursue an education. A similar approach exists within the Dallas County Community College District. While day care facilities exist at only two colleges within the district, different support services for women are provided at each campus. Yet another innovation for promoting job opportunities for women in the DCCCD is a district newsletter entitled, "Every Woman's Center." This publication serves as an information bulletin for women's centers at the various college campuses.[44]

Targeting is not determined solely by the ethnic makeup of a labor market or a community college, however. The extent of targeting and the provision of support services within joint training programs also depend on the attitudes of participating firms. While an objective of firms in joint training ventures may be the inclusion of minorities and women within their work forces, this objective is often secondary to other goals for training. Therefore, participation of community colleges in joint training offers may be a way to help ensure that the social goals of equal opportunity are met.

However, even though some efforts have been made in postsecondary vocational programs to include women and minorities, the record of the community colleges and postsecondary technical institutes in Texas still leaves considerable room for improvement. The enrollment of women has been largely confined to those occupations that have traditionally been dominated by women: although women constitute 47 percent of the 1980-81 enrollments in the community colleges, they were concentrated in nursing, secretarial, child care, and health technologies, and underrepresented in the technical programs.

Furthermore, women constituted only 22 percent of enrollments at the four Texas State Technical Institutes (TSTI), which tend to have more technically oriented programs than the community colleges.[45] The treatment of minorities is similar, though less extreme. In a state where 20 percent of those aged 18 to 24 are black and 17 percent are Hispanic, community college enrollments in 1980-81 were 11.6 percent black and 21.7 percent Hispanic; however, minorities are underrepresented in technological programs and somewhat overrepresented in service-related occupations and traditional trade and industrial programs (like auto repair). In a state with a large Hispanic population, only 12 percent of community college enrollments and 1 percent of TSTI enrollments were identified as students of limited English proficiency. While the trend may well be in the direction of providing more access to women and minorities, it is important to recognize that the community colleges and technical institutes still suffer from the biases of the rest of the educational system, and that there is still more progress to be made despite almost two decades of pressure from Washington to open up vocational programs to those who might otherwise be left out of the economic mainstream.

CONCLUSIONS

The expansion of the community colleges over the past two decades, both in the United States and in Texas, is often viewed as an unqualified success story. In fact, the evidence so far suggests that the community colleges have in fact been more successful than secondary vocational education in preparing students for employment. Compared to other kinds of training programs, the community colleges have avoided the controversies and negative perceptions that have plagued CETA and enjoy a flexibility and diversity of goals that firm-based training could never emulate. However, despite these advantages, many of the same dilemmas--integrating training with labor market needs, deciding what skills to teach, targeting the disadvantaged versus creaming--emerge time and again. Despite the success stories, there remains room for improvement.

There are several ways that community colleges can more effectively use their advisory committees. First, committee membership should represent both community and labor market interests and needs. Second, committees should balance student needs with firm needs when designing programs. Finally, by involving advisory committees in long-range planning, colleges can better assess continuous changes in the labor market. Postsecondary vocational education institutions should also increase their use of professional and community organizations so that these organizations can assist in targeting efforts; aid in counseling and providing on-the-job training opportunities, as well as participating in career guidance and placement; and supply postsecondary vocational education institutions information about the needs of specific targeted groups. Both advisory committees and community organizations can help prevent the separation from the labor market that has often plagued occupational training.

Cooperative efforts with firms provide a different approach to integrating community colleges and employers, one that offers a promising vehicle for delivering potential benefits to participants. However, even in joint training programs the issue of balancing the needs of the trainee and the firm must be consciously addressed. While we found little evidence of abuse, the pressures from outside the community colleges to provide specific training geared to the needs of individual firms--rather than training that provides individuals with readily transferable skills--remain dangerous. Keeping the needs of trainees balanced with the needs of firms is also critical in the efforts of postsecondary education (like CETA) to increase employment opportunities for the disadvantaged, since there is some evidence that women and minorities are not being given the same training opportunities that white males receive.

Finally, we found surprisingly little reliable data on the effectiveness of community college programs. Most community colleges use a variety of information to gauge the success of their programs--responses from advisory committees, informal information from employers, student enrollment patterns, and anecdotes about individual students. However, the reliability of this information is often suspect. The information on program completers required by the 1976 amendment to the Vocational Education Act--known in Texas as the TEXSIS system--is used by the community colleges in different ways, but because of low (and certainly biased) response rates these data are almost useless for evaluating which programs are effective and which are not. Like CETA, then, the information available locally about the effectiveness of community college training leaves much to be desired; its improvement would help in assessing the labor market effectiveness of these programs.

The flexibility that is one of the major advantages of postsecondary vocational education is also potentially its most troublesome characteristic. The freedom to serve the disadvantaged along with other students means that the community colleges must walk a fine line between ignoring the disadvantaged and concentrating on their special problems to the detriment of their overall reputation and the well-being of other students. The ability to provide general training as well as customized training and other joint efforts with firms means that extreme reactions--a complete neglect of general skills, or a complete neglect of specific skills--are possible outcomes. The growth in enrollments and the stability of funding that have put community colleges in relatively secure positions also encourage their complacency about their programs. The balancing act that the community colleges must perform is a difficult one; success in their efforts will come only through constant attention to the multiple constituencies they are asked to serve.

NOTES

1. Unpublished data from the Division of Postsecondary Education, Texas Education Agency. For national trends, see W. Norton Grubb, "Occupational Demand and the Rise of Post-Secondary Vocational Education," Institute for Research in Educational Finance and Governance, Stanford University, February 1983.

2. Advisory Council for Technical-Vocational Education in Texas, Challenges and Choices, Twelfth Annual Report to the Governor of Texas (Austin: Texas Education Agency, December 1981), p. 4.

3. See the evidence cited in notes 3 and 14 of the Introduction.

4. The Vocational Education Study: The Final Report, Vocational Education Study Publication No. 8 (Washington, D.C.: National Institute of Education, 1981), ch. 3.

5. Fred Pincus, "The False Promises of the Community College," Harvard Educational Review 50 (Austin 1980): 332-61; Jerome Karabel, "Community Colleges and Social Stratification: Submerged Class Conflict in American Higher Education," Harvard Educational Review 42 (November 1972): 521-62.

6. Advisory Council for Technical-Vocational Education in Texas, The People Speak, Joint Report to the Governor and Members of the Legislature (Austin: Texas Education Agency, 1976), p. 1.

7. Effective Use of Advisory Committees: A Handbook for Technical/Vocational Educators (Austin: Texas Education Agency, 1981), p. 3.

8. Handbook for Advisory Committees (Dallas: Dallas County Community College District, 1981), p. 1.

9. Interview with Robert Dunlap, Dean of Occupational Education, Central Texas College, Killeen, December 4, 1981.

10. Interview with William Templeton, Director for Transportation Services and Maintenance, Dallas Power and Light Company, Dallas, February 4, 1982.

11. In an effort to improve the use of advisory committees, the State Board for Vocational Education has developed a project to "teach" secondary and postsecondary programs how best to use (and how not to use) advisory committees. Most of their efforts so far have emphasized breaking down the resistance of educators to letting in "outsiders." Although the State Board recognizes that apathy by employers is an equally serious problem, they have less power to exhort and cajole business executives to think of their advisory roles in new ways (Interview with Alton Ice, Executive Director, Advisory Council for Technical-Vocational Education, Austin, September 18, 1981).

12. *Effective Use of Advisory Committees*, pp. 22-25.

13. Interview with Dorothy McNutt, Director of Business and Continuing Education Programs, College of the Mainland, Texas City, February 15, 1982.

14. Interview with William Cox, Texas State Technical Institute, Waco, July 31, 1981.

15. *Effective Use of Advisory Committees*, p. 25.

16. Interview with Dorothy McNutt.

17. Follow-up data have been routinely collected as part of the Vocational Education Data System (VEDS) required by the 1976 amendments to the Vocational Education Act. However, the response notes to follow-up questionnaires are usually well below 50 percent, and so the results are often unreliable.

18. Interview with Nellie Thorogood, Director of Occupational and Technical Education and Technology, San Antonio College, San Antonio, November 5, 1981.

19. Interview with Dorothy McNutt.

20. Interview with Robert Dunlap.

21. Interview with Nellie Thorogood.

22. Interview with Dorothy McNutt.

23. Interview with Linda Coffey, District Director of Occupational Education, Dallas County Community College District, and Mike Ross, Associate Dean of Technical/Occupational Programs, El Centro College, Dallas, February 4, 1982.

24. Russell Paulsen, *Short-Term Skill Training: Alternative Approaches*, Information Series No. 222 (Columbus: National Center for Research in Vocational Education, Ohio State University, January 1981), p. 1.

25. Interview with Dorothy McNutt.

26. Interview with Nellie Thorogood.

27. Interview with Linda Coffey and Mike Ross. See their brochure, "When Your Company Has a Need for a Training Program."

28. Texas Education Agency (TEA),."Texas Industrial Start-Up Training Program, " January 1981, p. 2.

29. Interview with Joe Ferran, Manager of the Industrial Start-Up Program, Texas Industrial Commission (TIC), Austin, March 8, 1982.

30. TEA, "Texas Industrial Start-Up Training Program," p. 2.

31. Interview with Robert Dunlap.

32. Interview with Nellie Thorogood.

33. The Industrial Start-Up Program makes no effort to distinguish those firms that will move to Texas without the program's help from those that might be induced to move by the program; also, it makes no effort to persuade employers to move into high-unemployment areas of the state or to hire minorities, women, or other disadvantaged groups. Finally, because of its concentration on relatively low-skilled industrial jobs, the program does nothing to relieve skill shortages in relatively skilled occupations (interview with Joe Ferran). Even though employers are happy with the program, it isn't clear what social benefits the program generates for Texas.

34. Interview with William Charbonneau, Director of Apprenticeship and Skilled Occupations, College of the Mainland, Texas City, February 15, 1982.

35. Interview with Janet Fuller, Personnel Support, Southwestern Bell Telephone Company, San Antonio, November 19, 1981.

36. Telephone interview with Mike Dunn, Director of Training, Mary Kay Cosmetics, Dallas, February 5, 1982.

37. Interview with W. J. Caperton, Executive Director of Training and Development, USAA, San Antonio, November 19, 1981.

38. Interview with Janet Fuller.

39. Ibid.

40. Telephone interview with Mike Dunn.

41. Interview with W. J. Caperton.

42. On enrollment figures by sex, see Digest of Educational Statistics, 1980 (Washington, D.C.: National Center for Educational Statistics, 1981), Table 95.

43. Interview with Robert Dunlap.

44. Interview with Linda Coffey and Mike Ross.

45. Data on enrollments and completions by race and sex come from the VEDS data for 1980-81, from FEDAC #R139, Part A, made available by the Texas Education Agency. The patterns in Texas for both women and minorities tend to follow the patterns in other states; see, for example, Descriptive Study of the Distribution of Federal, State and Local Funds for Vocational Education, Project on National Vocational Education Re-

sources (Berkeley: School of Education, University of California, September 1981), ch. 7. See also the summary in Chapter 8 of The Vocational Education Study: The Final Report, Vocational Education Study, Publication No. 8 (Washington, D.C.: National Institute of Education, September 1981).

CHAPTER THREE

TRAINING FOR THE DISADVANTAGED THROUGH CETA

One feature that distinguishes training funded through the Comprehensive Employment and Training Act of 1973 (CETA) and its successor, the Job Training Partnership Act of 1982 (JTPA), from other training has been their exclusive focus on unemployed, underemployed, and economically disadvantaged workers. By restricting eligibility for CETA services, Congress attempted to ensure that training resources would be available to those most in need. Indeed, CETA became the only training program available to disadvantaged workers which offers training allowances, day care arrangements, and other supportive services to permit them to enter training.

While CETA has been an improvement over other programs in which the disadvantaged have often been neglected, there is some question whether Congress has allotted sufficient funding to be able to assist even the economically disadvantaged alone, not to mention the unemployed or underemployed. In FY 1980, prior to the Reagan Administration retrenchments, there were 700,000 new participants in CETA enrolled in institutional or on-the-job training. Yet for every worker in training that year, there were ten workers in the labor force at least half the year whose family income fell below the poverty level. The two billion dollars spent on training by CETA in 1980 amounted to less than 1 percent of combined public and private training expenditures.[1] This imbalance between needs and resources has generated pressures to spread CETA funds among as many trainees as possible.

While the emphasis on the disadvantaged has been necessary, this restriction has at the same time caused several negative side effects. It has confined CETA programs to training for entry-level jobs. It has encouraged the development of segregated training for the disadvantaged. Perhaps most of all, it has led to problems of stigma. Because CETA participants must be economically disadvantaged to qualify for the program service, CETA trainees are viewed by many employers as having undesirable characteristics. According to such employers' opinions, disadvantaged people have poor work attitudes and motivation and poor work habits.[2] They are also commonly considered to have low skills and low educational levels and to be ignorant of the demands of work environments. In addition, they are seen to have a host of other barriers to becoming successful employees--inadequate transportation, needs for child care, and lack of proper work clothes, for example.

Of course, these characteristics may apply to individuals within the disadvanted population. But there is a great deal of variation among CETA eligibles, and no universal stereotypes are accurate. Even when problems do not exist or have been alleviated, the stigma often remains with CETA participants.

The stigma suffered by participants is compounded by other image problems of the CETA system itself. During the late 1970s there were several widely publicized scandals in various local CETA programs. Although these cases were a minuscule part of total activities and although most were associated with public service employment, phased out in 1981, many private employers still associate CETA with fraud, abuse, and mismanagement.

An even more fundamental problem is the private sector's distrust of government programs. Many businesses do not want to be involved with the government any more than necessary, complaining that it creates too much "red tape" and involves too many regulations. They especially fear opening the door for government intrusion into the firm's prerogatives--a concern that seems particularly associated with dislike of affirmative action programs.[3]

Although most business officials have heard of CETA, relatively few have direct contact with CETA programs. A U.S. Chamber of Commerce-Gallup survey of 1,128 businesses made in 1978 indicated that while 97 percent of the respondents had heard of CETA, 73 percent had made no use of CETA during the previous twleve months. Furthermore, among the 27 percent who reported using CETA during the previous twelve months, only 4 percent had used it "many times," 16 percent had used CETA "only a few times," and 7 percent "hardly any time." By and large, employers used CETA to fill clerical/secretarial and unskilled, entry-level blue collar jobs, rather than more skilled positions.[4]

On a more positive note, most personnel managers who used CETA were generally satisfied. Among users, 49 percent were satisfied with on-the-job training, and 56 percent were satisfied with classroom training.[5] Thus, despite all the commonly mentioned difficulties, some CETA programs have been able to work effectively with employers. But this leads to additional concerns.

To gain the cooperation of employers, CETA must offer benefits to firms. One way this can be achieved is to provide firms with employees trained specifically to their needs. Furthermore, CETA can offer these employees at a reduced cost to employers by subsidizing the extra cost of training during on-the-job training or by providing classroom training to the employer's specifications at no cost to the employer. A third approach is to direct programs toward firms and industries experiencing a shortage of workers. For example, CETA can participate in economic development activities helping to supply trained workers to newly located firms who need to hire many workers.

Potential problems arise, however, in offering these benefits. The first concerns the type of employment a firm is able to offer. If a firm can offer only low-wage, dead-end jobs, CETA may be subsidizing the firm for hiring persons it would have hired anyway. This possibility also leaves trainees without opportunity for meaningful training or advancement. Even if the firm can offer training and advancement opportunities, the question arises of whether CETA training is of sufficient length or intensity to be of benefit to the employers or the participants. To establish a good record with the private sector (and with the Department of Labor), CETA eligibles who already seem the best prepared will be enrolled in the program. This "creaming" may be necessary to satisfy the firm; however, it may result in helping only those participants who need training least.

Another problem is whether teaching firm-specific skills is unfair to the trainee. Most CETA training occurs prior to hiring; should the firm decide not to hire the trainee or be forced to lay him or her off, specific training will be of little value in seeking alternative employment. These questions lead to the fundamental issue of whether CETA can serve both the firms' interests and the clients' interests simultaneously.

Thus CETA programs have often found themselves in a set of inescapable dilemmas. To avoid the underrepresentation of the disadvantaged that other public training programs (like vocational education) have suffered, CETA has accepted disadvantaged individuals almost exclusively; but this has led to stigma and suspicion on the part of the business community that have undermined CETA's efforts. CETA's efforts to win the cooperation of firms have led to the temptation to offer firm-specific training, which may not be in the interests of trainees. In addition to all these problems, the large number of the unemployed and disadvantaged in this country has meant that CETA funds have been inadequate, leading to various efforts to stretch funds as far as possible. To examine these dilemmas in greater detail, we have reviewed three types of CETA programs in Texas: those run by a community-based organization; the Job Corps; and projects under the Private Sector Initiative Program.

CETA THROUGH COMMUNITY-BASED ORGANIZATIONS: SER-JOBS FOR PROGRESS

Ser-Jobs for Progress was created in 1964 by two national service organizations, the American G.I. Forum and the League of United Latin American Citizens (LULAC), to improve the socioeconomic status of the Hispanic population through a comprehensive system of employment and training activities, economic development, and supportive services. In 1982, SER operated ninety-two CETA projects in sixty-two cities located in twenty-two states, providing training and services to thousands of Americans of all ethnic backgrounds, with a special emphasis on the Spanish-speaking.

SER was one of four agencies specifically identified in the original CETA act as "community-based organizations" (CBOs), defined as "private nonprofit organizations representative of communities or significant segments of communities."[6] CBOs were thought to have greater knowledge of and sensitivity to CETA clients. They are located in neighborhoods where potential trainees reside and have their own networks for communication with and outreach to the community. CBOs are thought to understand clients better than traditional public agencies that failed to serve them in the past. CBOs are also thought to have developed trust and rapport with clients as well as performance records of demonstrated effectiveness. Through CBOs, it was hoped that CETA could establish and maintain credibility with clients. Thus, with the encouragement of the Department of Labor, many CETA prime sponsors have turned to CBOs for help in delivering services.[7]

A large portion of CETA funding is spent through CBOs. A survey of the expenditures of Texas prime sponsors in FY 1981 found that 38 percent of funds were contracted to CBOs.[8] With these funds, CBOs have set up their own training programs and have joined with employers (in contracts for on-the-job training) or purchased training for their clients through established educational institutions like community colleges.

Despite their conceptual advantages, CBOs have experienced several practical problems. The relationships of CBOs to local elected officials is a good illustration. CBOs advocate for their constituencies within the political arena, and sometimes they find themselves at odds with local elected officials. Conversely, politicians have been accused of trying to buy political support by funding CBOs regardless of performance. Allocation of CETA funding sometimes has become a political process, with several community groups vying against one another.

From the perspectives of local public officials, contracting with CBOs offers a convenient means of dealing with highly erratic and unpredictable funding levels. Sudden changes in staffing patterns can be accommodated without affecting local governmental personnel. As a result, most local CBOs are small and unstable organizations dependent on year-to-year funding from CETA. High rates of staff turnover are common and the quality of training suffers. Despite these structural problems, most CBOs are strongly committed to serving their clients, a commitment that contrasts strongly with the indifference and hostility in many parts of the education and training sytem.

Interviews with SER officials in Dallas, San Antonio, and Austin revealed that common issues arose in each program. Each of the programs serves a similar clientele. SER clients are typically minority and predominantly female. They are poor, lack high school diplomas, and have little if any work experience in skilled positions. Many do not speak English.[9] As a result, employer attitudes often pose a major barrier to SER clients, since minorities and women still face discrimination in the labor market. Overcoming both skill deficiencies and employer attitudes presents a major challenge to SER.

Compounding these problems, the low funding available for training limits the duration and quality of training that can be offered. Low funding also affects the types of participants who enroll, especially by discouraging men who can afford to enroll in training less readily than women.

The case of Dallas SER is illustrative. Due to funding pressures, Dallas SER can pay enrollees only $89 per week as a training allowance, and must limit its training to twelve to fourteen weeks. Longer training would drive costs per enrollee to a level unacceptable to the local prime sponsor. Longer training might also increase the dropout rate from the program, as more trainees might find they could not continue on the meager training allowance. Many males find they they cannot meet their familial obligations with such a low stipend and thus seek temporary employment in jobs that provide a minimum of support. (These occupations are usually unskilled, pay no more than minimum wages, and offer little job security and no potential for upward mobility.) Because many males find they cannot afford to spend time in CETA training, most of those who apply are women. Since placement of women into jobs not traditionally held by females is difficult, SER has decided to train them in a traditionally female occupation characterized by high local demand: clerical work. However, since 60 percent of the women do not speak English, SER must first teach English and sufficient clerical skills to prepare the women for jobs--all within fourteen weeks. In this situation, the decision to provide such low funding per trainee--forced upon SER by the local prime sponsor and ultimately by the CETA program--seems self-defeating, since short training periods can only have minimal impact in correcting the handicaps which bring people to the SER office. Thus the needs of the unskilled are not met, and those who cannot afford training find themselves locked into low-paying, unskilled jobs.

In addition to classroom training, SER offers employers on-the-job training contracts in which CETA pays the employer the cost of training a participant, with the rate usually set at one-half the wage rate. In return, the employer agrees to train the individual; assuming things go well, the firm retains the worker after training. According to SER officials, the major barrier to greater use of this program is employer fear of government red tape. However, this complaint is often vague and diffuse: no specific comments were made regarding what was involved in "red tape," nor were there specific recommendations to revise forms or requirements.

Since the design of training in OJT contracts is normally left almost completely to the individual employer, OJT is likely to result in firm-specific training. If transferable skills are the goals of public training, perhaps additional rather than fewer regulations are required in OJT.

To place SER graduates and OJT trainees, local SER groups often enlist the aid of advisory councils created from the business community and directed by business leaders from leading corporations. Because many of these people are executives in corporations, they have more influence and contacts with other business executives--contacts that can lead to eventual placements for many SER clients. Another function of advisory councils is to advise on the types of skill training, courses, and instruction needed to make SER's clients more employable.[10]

No measures of the effectiveness of SER advisory councils were available. Not surprisingly, some advisory councils are less active than others. For example, in Dallas a SER official commented that his advisory council was apathetic and was not actively seeking potential placements in the labor market.[11] In the San Antonio district, the SER official explained that their council had just been created, but he was optimistic and believed that the council was ready to work at promoting their program finding job placements.[12] However, the advisory council in San Antonio had only one employer representative from private industry. As in the community colleges, the advisory councils remain an idea that works better in concept than in practice.

The concept of using community-based organizations to deliver training to the disadvantaged remains attractive, particularly in the hope that CBOs can more readily understand the problems of the disadvantaged and gain their trust than can external bureaucracies. However, the burdens that have been placed on CBOs like SER are nearly unmanageable. Although the CBOs we examined remain committed to their work, the task of taking a poorly educated individual--often black or Hispanic, often female, and sometimes with limited English, who will probably encounter labor market discrimination--and preparing that person for a decent job in a labor market with relatively high unemployment is extremely difficult. If job training programs are expected to be able to grapple seriously with integrating the disadvantaged into mainstream labor markets, some critical changes in this model are necessary.

THE JOB CORPS

The claim that the private sector wants very little involvement with CETA has been frequently made. Yet the Job Corps is an extensive CETA program with a large amount of private sector involvement. Unlike many other CETA programs, Job Corps has gained employer cooperation and does not appear to have severe problems with stigma. Therefore, it is valuable to explore the Job Corps to discover the possible factors contributing to its success. Texas has four Job Corps centers--at Laredo, El Paso, McKinney, and San Marcos (the Gary Job Corps Center); interviews were conducted with staff of all four centers for this study.

The private sector participates in Job Corps in various ways. Corporations operate 61 percent of the nation's Job Corps centers (although there are no corporate contractors in Texas).[13] Within Texas, labor unions and an employer's association contract courses in carpentry, plumbing, plastering, painting, and bricklaying at the McKinney Job Corps center. Industry leaders serve on advisory councils or community relations boards. Employers also participate in work experience programs, in which prospective Job Corps graduates work for approximately forty-five days. Work experience is basically a trial work program in which students gain experience at no expense to the employer.

Unlike most CETA programs, the Job Corps has been blessed with a history of relatively stable legislative, regulatory, and funding provisions. The three Job Corps centers established in Texas in 1965 appear to be free of problems that may affect newer programs. Compared to the rest of CETA, the Job Corps centers have had few problems with inexperienced personnel, the lack of clearly defined goals and objectives, sudden changes in mission or funding levels, or fears that the program may be terminated. Since a participant can remain in Job Corps for a maximum of twenty-four months, the program is of sufficient length (particularly compared to CBO programs) for skills to be developed. The relative success of the Job Corps is reflected in the fact that in fiscal year 1980 three of the four state Job Corps centers in Texas reported placement rates of 90 percent or above. The fourth center, operated by SER, reported a 62 percent placement rate. However, the SER center is relatively new, having been in operation for only eighteen months. This center also has a major disadvantage in that a substantial fraction--perhaps 25 percent--are severely limited in their English-speaking abilities.

Job Corps is the most extensive CETA program targeted exclusively for disadvantaged youth. Nationwide, entrants during the first nine months of 1980 had a median family income (excluding public assistance) of $5,500. Sixty-four percent of Job Corps entrants had never been employed. Approximately 18 percent of all Job Corps participants completed eight years of school or less, and 85 percent had not completed high school. In Texas approximately 52 percent of all participants in fiscal year 1980 were black, 30 percent were Hispanic, 8 percent were white, and 10 percent were of other races. Over 50 percent of Job Corps enrollees are under eighteen years of age, both in Texas and nationally.[14]

Since Job Corps participants are economically disadvantaged and primarily minority, discrimination and negative attitudes about the disadvantaged might be expected to affect the amount of private sector involvement. In interviews, placement officers were asked if potential employers refused to interview or hire Job Corps students after learning that these students were disadvantaged or minorities. Placement officers claimed that discrimination was not a major problem in finding employment for students. This is surprising because respondents from other CETA programs placed great emphasis on the stigma associated with CETA.

Although no problems of discrimination were uncovered in the employment of Job Corps graduates, some friction has been reported between local communities and Job Corps centers in the past. Job Corps participants are less accepted in San Marcos or McKinney than they are in El Paso and Laredo. Several factors seem to be at work here. First, the size of the center relative to the local community is important. Laredo and El Paso Job Corps centers are small centers, with capacities of 175 and 526 in cities of 91,449 and 425,259 respectively. The Gary and McKinney Job Corps centers are larger centers with capacities of 200 and 650 respectively, in much smaller communities of 23,420 in San Marcos and 16,249 in McKinney.[15]

Differences between the racial compositions of the Job Corps center and the surrounding community may also affect the public attitude toward the Job Corps center. The Laredo and El Paso Job Corps centers have populations that are approximately 95 percent Hispanic. Approximately 62 percent of the residents of El Paso and 90 percent of the residents of Laredo are Hispanic. In contrast, there are extreme differences between the racial compositions of San Marcos and McKinney, which are largely white, and the racial composition of the Gary and McKinney Job Corps centers, which are overwhelmingly black. Approximately 4 percent of the residents of San Marcos and 16 percent of the residents of McKinney are black. According to Sar A. Levitan and Benjamin H. Johnston in The Job Corps: A Social Experiment That Works, large differences between the racial compositions of the Job Corps centers and the surrounding communities have reduced the communities' public acceptance of Job Corps in the past:

> In recent years, these problems became less common as representation of blacks fell slightly from its peak. Race still presented some problems, however. Many rural whites were disconcerted and resentful to find some centers almost entirely black. Some towns near centers retained their lukewarm welcome for the social activities of trainees, especially when most of the trainees were black. But for the most part, the racial makeup of the Job Corps was no longer a pressing issue by the mid-1970s.[16]

A third reason that the Job Corps has better community relations within El Paso and Laredo has to do with the nature of the program. In El Paso, Job Corps students are primarily local residents, so they are familiar with the community, and local residents are familiar with Job Corps participants or their families. At the Laredo Job Corps center, vocational training is offered at Laredo Junior College. Although Job Corps students do not attend classes with college students, Job Corps students attend extracurricular events at the college and consequently have a great deal of interaction with college students. The Gary and McKinney Job Corps centers have large percentages of out-of-state students and are more physically isolated and self-contained. This isolation makes it more difficult for local residents to know the Gary and McKinney Job Corps students as individuals apart from Job Corps.

Administrators at each of the Job Corps centers have their methods of attemping to reduce negative perception by outsiders and increase private sector involvement. All four Job Corps centers have either advisory councils or community relations boards. The use of these boards or councils varies from center to center. The El Paso Job Corps center has a community relations board and is planning an advisory council. This council will be composed of eight people, one from each training cluster, and will meet quarterly to keep vocational instructors informed of current technology and demand for skills. At Gary, the advisory council is composed of approximately forty-five people who are required to attend one meeting a year. The council contains industry leaders representing most of the training clusters, again intended to keep vocational trainers advised of new technology. The Laredo Job Corps center has an advisory council of twelve people from different sectors of the community. Although the council does not meet often, program administrators consider the council to be effective, and three advisory council members have hired Laredo Job Corps students. The McKinney Job Corps center has a community relations board of approximately thirty to forty members. (Generally, there appears to be little difference between community relations boards and advisory councils.)

While boards and councils can offer advice, federal regulations prevent them from having much influence over a center's operations. The Department of Labor Regional Office specifies the courses that are to be offered and the number of participants in each course. Suggestions for new equipment must be approved by the Department of Labor. Federal guidelines also outline the content of instruction in each vocation.

The largest amount of private sector involvement is in the work experience program. Since work experience is a requirement for graduation from Job Corps, job developers have been aggressive in attempting to locate work experience positions for students. Since the employer does not compensate the Corps members for his or her services, the employer is provided with free labor in exchange for providing Job Corps students with additional training.

In fiscal year 1980, approximately 490 of 950 potential Gary graduates participated in work experience. At Laredo, 25 percent of all Corps members completed work experience. Approximately 300 El Paso students completed work experience during fiscal year 1980. Fortunately, the demand for work experience trainees exceeds the supply of potential graduates, and firms which tend not to offer permanent employment to their work experience trainees are dropped from the program.

Employers who were interviewed favor the work experience program. Through their participation in work experience, employers feel that they influence the training received by the Corps members. Most employers interviewed felt that the training received by Job Corps students involves general skills, and that there is a need to teach more specific skills once the student is on the job.

Despite some real successes, the work experience program is not as effective as it could be. At Gary, Laredo, and McKinney, job developers cannot find work experience assignments for all potential graduates because the surrounding locality does not have industry in some of the trades offered at the center. At three of the centers, placement officers indicated that students generally do not want to participate in the work experience program but prefer immediate employment.

The most extensive involvement by labor unions was found in the training offered at the McKinney Job Corps center. The United

Brotherhood of Carpenters and Joiners of America provides thirty-two training positions in carpentry. The Operative Plasterers' and Cement Masons' International Association, the International Brotherhood of Painters and Allied Trades, and the International Union of Bricklayers and Allied Crafts each offers sixteen training positions in cement masonry and plastering, painting, bricklaying and plumbing, all of them in preapprenticeship programs. Applicants must be at least seventeen years old and have a high school diploma or a GED to be accepted into the programs. Individual unions have additional entrance requirements, such as manual dexterity and interest in the trade.[17] The unions can also recruit promising candidates who do not yet meet all the qualifications for apprenticeship programs, provided they meet Job Corps eligibility requirements.

Although all trades have some basic requirements for admittance, such as certain reading levels and tests determining skill potentials, union trades have the most stringent entrance requirements. It appears that there is a creaming process for those union programs that lead to higher wages upon graduation. The educational requirement alone eliminates 85 percent of all Job Corps enrollees. Nevertheless, the rewards are great for those who are selected. Nationwide, graduates from union trade programs earned starting wages ranging from $4.58 in plumbing to $7.87 in carpentry.[18] Furthermore, they began their jobs as bona fide apprentices who could expect to double earnings over a four-year training period.

The screening process at two of the centers could also be considered creaming. The El Paso Job Corps center invites all prospective Job Corps students to a preorientation session. The applicants are allowed to view the program and are interviewed by a counselor. Applicants who may not be successful in Job Corps are discouraged from attending. McKinney staff have begun interviewing applicants by phone in an attempt to decrease the number of early terminations. Since the phone interview system began, completion rates have increased by 30 percent.

Screening (or creaming) is an attempt to decrease discipline problems and the number of early terminations, and to increase the number of graduates and placement rates. Levitan and Johnston described earlier pressures to cream:

> The issue of "creaming" the most competent and capable among the disadvantaged became more complex and more and more urgent in 1975 as the line of those desiring to enter the program swelled during the recession. Planners were faced with the dilemma of whom to take among the needy. One tempting choice, of course, was to take the best qualified. This was attractive not only because the predictable greater occupation success of these individuals would reflect well on the program, but also because past performances seemed to indicate that the least disadvantaged were the ones for whom the Job Corps worked best. For many youths in this category the Job Corps turned out to be

> all the help they needed to find well paid, stable employment; it seemed logical to direct the program to those for whom it did the most good. On the other hand, the seriously or multiply disadvantaged youth could not be ignored. Even if success rates were lower, discipline problems more severe, and training more expensive and time-consuming, these individuals were certainly the ones for whom the program originally had been designed.[19]

Although Job Corps is much larger than it was in 1975, both nationally and in Texas, there are increasing pressures to cream. The pressure for excellent program results has been raised by the threat of budget cuts. Uncertainty about future funding has also increased the pressure: in March 1982, the Department of Labor announced that sole source contracting would be eliminated within the next few years. SER and Texas Educational Foundation, Inc., which operate under sole-source contracts, will therefore be forced to compete for contracts on a year-to-year basis. Since past records of performance will be considered in awarding future contracts, this factor alone may increase the pressure to cream in Texas Job Corps centers. Thus even in this program, designed from its inception to train the most severely disadvantaged youth, there are powerful pressures to cream the best of the eligible applicants and thereby undermine the original intent of the Job Corps.

Of all the different programs offered through CETA, the Job Corps has come to be viewed as the most successful. It has also developed considerable political support, reflected in the fact that the Job Training Partnership Act of 1982 reauthorized the Job Corps program in its entirety. The placement rates of the Job Corps--like the placement rates of over 90 percent for three of the Texas programs--are often cited as evidence of its success.

These figures, however, must be interpreted with caution, since they are probably inflated. A successful placement is considered to be anyone who has returned to school, joined the military, joined another training program, or obtained employment; women who have undertaken full-time family responsibilities and former Corps members who neither completed the program nor were placed by Job Corps contractors are excluded from placement figures. Corrections to the Job Corps placement figures by the U.S. General Accounting Office suggest a lower overall placement rate of about 36 percent.[20]

Still, despite overly optimistic program evaluations, more careful studies have shown that Job Corps is a successful program whose benefits outweigh its costs.[21] In view of the ambitiousness of the program, this is a major achievement. The contrast with the local programs run by community-based organizations is instructive and suggests that more intensive, longer-term training programs may be more productive despite their higher costs.[22]

THE PRIVATE SECTOR INITIATIVE PROGRAM

The Private Sector Initiative Program (PSIP) was authorized as Title VII of the 1978 CETA amendments. The purposes of the program are to increase private sector employment and training opportunities for CETA participants; to provide a vehicle for redirecting CETA's emphasis from subsidized employment to the absorption of the unemployed into the private sector; and to establish and maintain Private Industry Councils (PICs) composed of representatives of business and industry, organized labor, community-based organizations, and educational institutions, which work with CETA prime sponsors to plan training and placement activities directed toward private sector employers.[23] PSIP is, therefore, an ideal program in which to examine cooperation between public and private training efforts in CETA-funded programs.[24]

To satisfy its purposes, the PSIP must gain private employer cooperation in the development and implementation of its activities. Barriers to this cooperation are similar throughout Texas. The poor CETA image and the stigma associated with CETA participants were mentioned often. Fear of government intrusion is also prevalent among private employers; correctly or not, firms associate government programs with paperwork, "red tape," auditing, and regulations.

Several strategies have been used to overcome these barriers. Identifying and filling the real needs of business is the primary strategy used by all PSIPs to enlist private employer cooperation. One basic way of determining need is to identify growth industries and skilled labor shortages through labor market analysis. Every PSIP has some method of gathering labor market information.

Many sites have implemented programs under Title VII that do not differ significantly from other CETA activities or other training programs. For example, in Austin and Houston the primary program funded through Title VII during fiscal year 1982 was self-directed job search. All sites attempt to generate on-the-job training contracts in the private sector, and the Balance of State and Balance of Dallas County prime sponsors rely on on-the-job training as their principal program. The Title VII program serving the largest number of participants in the City of Dallas is vocational classroom training provided through the Dallas County Community College.

A study made by Public/Private Ventures revealed that reliance on well-known program types is common to PSIP nationwide but that there are notable exceptions.[25] These exceptions were also found in Texas. In addition to traditional CETA activities, some programs involving specific industry participation are emerging. The Houston PIC has begun a program of on-site training with a local bank. This program involves classroom training designed to fit the bank's specifications (business math and English in this case) coupled with on-the-job training in the bank. If this initial program is successful, they plan to expand it to a consortium of banks in the area.[26] The San Antonio PIC also combines classroom and on-the-job training with several local businesses. Employers within an industry provide advice, resources, and materials, and design the curriculum for the classroom training. Although they are not required to hire participants, industry employers often make a commitment to hire a specific number of completers.[27]

The Central Texas Manpower Consortium has developed self-paced vocational skills training programs, with industry representatives designing the training curriculum based on the skills and competencies needed in the industry. This program is administered jointly with Central Texas College and is open to both CETA eligibiles and noneligibles. Title VII funds are used to pay tuition and allowances to CETA eligibles in the program. Title VII funds have also been used to pay tuition and allowances in other vocational education programs, such as Texas State Technical Institute, if a particular training program is not offered by Central Texas College.[28]

By working closely with firms and trying to fill the real needs of business, PSIP is faced with the question of whether it can serve both CETA clients and private firms simultaneously. Some programs put more emphasis on the clients' needs, others on the firms'; however, the general attitude is that the needs of clients and the needs of firms are not mutually exclusive. However, PSIP programs which attempt to serve both clients and firms tend to serve the least disadvantaged of the CETA clients. The most disadvantaged clients require too much time and money to bring to an acceptable skill level, and attempting to serve them lowers a prime sponsor's rating with the Department of Labor. (The Department of Labor has not taken into account the types of placements achieved or the skill level of CETA clients upon entry when evaluating programs.) However, serving the least disadvantaged does not necessarily make a program inappropriate since all CETA eligibles are disadvantaged to some degree. Furthermore, it may be a necessary practice to make PSIP a success in the beginning stages, particularly as a way of overcoming employer reluctance to participate in CETA.

Allowing private firms to make decisions about what skills are taught creates the risk of publicly financing firm-specific training. The Central Texas Manpower Consortium and San Antonio PICs have avoided conducting firm-specific training while still retaining significant employer involvement by consulting with a groups of firms in a growing industry rather than just a single firm.[29] Firms are offered a pool of clients who have been trained to industrywide specifications. Through subsequent on-the-job training, individual firms can provide for the necessary firm-specific skills. This scheme operates to the advantage of the workers: if a particular firm is unable to retain its CETA employees, their training is still valuable to other firms in the industry.

In addition to filling the needs of industry, other actions are considered necessary by most sites to gain private employer involvement in programs. A few PICs have tried to make PSIP resemble a government program as little as possible. For example, they tend to eliminate paperwork by having PIC or CETA staff prepare all necessary vouchers. They also have tried to adopt a businesslike approach and use business jargon in promoting their program. To avoid the CETA stigma at the San Antonio site, clients are not presented as CETA eligibles but as participants in a "new Private Sector Initiative Program."[30] In addition, most PICs contract with community-based organizations to administer the programs, to alleviate some of the fears businesses have in dealing with the government.

PIC members can also be personally influential in eliminating some of the misconceptions about CETA, especially if they are respected members of the business community, by speaking to business groups and informally promoting the program to other firms. Business people can also be valuable in planning programs that meet the real needs of employers, both because of their own knowledge and their ability to solicit the opinions of others in business. Across the country, PSIPs are most likely to succeed where there exists a strong PIC,[31] and this also appears to be the case in Texas. PICs ranged from very active to moderately active, with the most active PICs in prime sponsors with the most private sector involvement.

Three of the seven sites we examined reported some kind of formal promotion of PSIP. The Balance of State PIC sponsors an entrepreneurship and trade fair; the City of Dallas PIC conducts mailout campaigns to businesses, explaining the program and the benefits of participating; and the Balance of Dallas County PIC is testing concentrated advertising in one targeted geographic area.

Only two sites seemed to be involved in any significant economic development activities. San Antonio PIC helped fund an application to designate the local area as a Foreign Trade Zone (also known as a free trade zone), an area within the United States yet outside U.S. Customs territory. In the Foreign Trade Zone there is no payment of duties on foreign goods imported directly into the zone. Customs laws apply only if and when goods, after manufacturing, enter U.S. Customs territory. A Foreign Trade Zone can result in more jobs in the Zone.[32]

The Central Texas Manpower Consortium earmarks 30 percent of its Title VII funds for area chambers of commerce to attract new businesses. This program is considered successful because of the new businesses which have located in the area.[33] Both the Central Texas Manpower Consortium and San Antonio sites have well-defined programs with considerable private sector involvement; this suggests that economic development activities may become more important to PICs once programs are satisfactorily established.

In summation, the Private Sector Initiative Program in Texas follows national trends closely. There exist both strong and weak PICs at different stages in their development. Although some PICs have continued regular CETA programs, others have successfully initiated innovative programs with a high degree of private sector involvement. The benefits of such involvement are potentially enormous in increasing the chances of placing trainees while serving the needs of business and industry. Over the longer run, closer connections between private employers and public programs can have an even wider influence by eliminating the negative attitudes many employers have had about CETA and similar training programs for the disadvantaged.

CONCLUSIONS AND RECOMMENDATIONS

The different CETA programs have developed a wide variety of methods to increase employer participation. All three programs use some form of advisory council. The Private Industry Councils of PSIP are the most influential, while the effectiveness of SER's and Job Corp's advisory councils have been more limited. To increase awareness of the program, the Balance of State PIC and El Paso Job Corps centers sponsor job fairs; several PICs have initiated promotional programs in an attempt to increase industry involvement, while the Job Corps has developed closer ties to business through work experience programs.

However, several common problems have prevented all CETA programs from having the influence that their administrators desire. Administrators at SER and PSIPs claimed that employers have negative opinions of CETA eligibles and are therefore reluctant to participate in CETA programs. These administrators also identified excessive federal regulations or "red tape" as another barrier to increased employer participation in CETA.

SER administrators cited the short twelve-to-fourteen week duration of training and limited funding levels as additional barriers to increased employer participation. Government regulations prescribed the length of training, and most SER administrators felt that the time period was too short to provide an effective and thorough training program. Low training stipends have prevented males from participation in the program, and may have contributed to difficulties in placement.

Creaming is an issue in both PSIP and Job Corps. Programs that provide the most benefits for enrollees are often the most selective. Department of Labor evaluation and rating systems have tended to provide program administrators with additional incentives to cream. For example, the El Paso Job Corps center, which has the most thorough screening system among Texas Job Corps centers, also has been evaluated as the nation's best Job Corps center for the past five years.

In light of this evidence, there are several policy alternatives that should be considered by program administrators of the new Job Training Partnership Act of 1982. First, programs should undertake longer-term intensive training for the more disadvantaged workers. National studies have indicated that the returns to longer-term training are substantially greater than to short-run training.[34] Long-term training is more expensive, but also much more effective.

In Texas, the Job Corps has been able to avoid the negative views of its trainees by providing longer-term and more expensive training. SER and PSIP officials, on the other hand, whose programs were largely characterized by very short-term training, complained about the problems of employee stigma. Particularly with the relatively high rates of employment growth and low rates of unemployment in Texas, those who remain unemployed in the Texas economy are likely to be suffering from serious deficiencies rather than merely transitional difficulties. Such problems call for more extensive treatment, and CETA may have tried to accomplish too much with too little.

Second, performance evaluations should be revised to reduce creaming and eliminate the bias against long-term training for the most disadvantaged. For example, a rating scheme could be developed in which success in placing a more disadvantaged individual is given a larger weight than success in placing the less disadvantaged. The weight could also vary according to the type of job and pay that an individual receives. If a participant is placed in a job for which there are high wages, possibility for advancement, and good job security, a more positive rating would be assigned to the placement. While creaming may initially be necessary for a prime sponsor to create a positive image, this practice does undermine the goal of CETA to prepare the most disadvantaged individuals for the labor market and should not be further encouraged by performance evaluations.

The experience with employer advisory committees under CETA remains mixed. Formal local advisory committees seem to have contributed little to the success of Job Corps or SER in Texas. Even in the Private Sector Initiative Program, no concrete evidence of general effectiveness was uncovered. In many places, the same programs have continued even after the establishment of PICs. The idea of Private Industry Councils holds promise, but--as in the case of community colleges--such advisory groups are not panaceas. The experience of a few exceptional PICs offers hope, however, and obviously abandoning advisory councils that include employers would be folly. Therefore, training programs should redouble their efforts to establish strong working advisory committees to serve as mechanisms of advice about appropriate training, as potential openings for employment, and as ways of reducing the negative impressions of public training programs for the disadvantaged. In the operation of these committees, employer advice about the design and content of training should be solicited on an industrywide basis, to avoid subsidizing firm-specific training and to ensure that jobs skills are transferable among firms.

Finally, greater stability in funding and regulations is likely to improve program performance. The only constant feature of CETA has been change. The original act was substantially amended by legislation five times in its nine-year life, and its regulations were changed almost every year as well. Its budget has likewise followed an erratic pattern over the years. The mission of CETA also underwent substantial change. What began as primarily a job training network, became a major delivery system for public service jobs six months after its inception. Under President Reagan, these jobs have been completely eliminated, and the Job Training Partnership Act has returned to training as its sole function. The experience of Job Corps indicates that there is considerable value to stability, and that the goal of integrating the disadvantaged into the labor force can be better served if training programs can plan on the basis of consistent funding and program goals.

NOTES

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71

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31. "'PSIP' Success Limited, Study Shows: Strong 'PIC' Helps Make Program Work," Employment and Training Reporter 12, no. 29 (April 1, 1981): 850-852.

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CHAPTER FOUR

RESOLVING THE DILEMMAS OF OCCUPATIONAL TRAINING:

SOME IMPLICATIONS OF THE TEXAS EXPERIENCE

The dilemmas of occupational training are structural; that is, they exist because of the contradictory demands placed on training institutions, or because we place demands on occupational programs without giving them the resources or the powers necessary to fulfill these demands. We require that training programs prepare their students for employment, but the mechanisms that might link public programs with the private labor market--including advisory councils, labor market surveys and forecasts of occupational demand, and cooperative programs between employers and educators--have never been fully implemented. Furthermore, in an economy with geographically mobile firms, with changing occupations, with cyclical variation in employment, and with generally high (and increasing) levels of unemployment, training programs will always face the problem that there are more individuals who want jobs than positions available, and that forecasts of the jobs available turn out to be wrong. The problems of "training for unemployment" can be minimized in various ways, but some of the basic causes of the problem originate in labor markets over which training programs have little control.

Similarly, the second dilemma that occupational programs have always faced--the problem of what kind of training to offer, and how to combine general training with specific skill training--again results from the contradictory pressures on training programs. To be relevant to the labor market and to secure jobs for its trainees, institutions must cater to the interests of firms that employ its graduates. If the training institution is unresponsive to employer requests for firm-specific training, it risks failing to place its graduates into jobs. Yet to the extent that training institutions provide narrow and nontransferable skills, they may be criticized for providing unwarranted subsidies to firms (who should conduct their own specific training) and for serving their students badly. If a particular occupation declines due to technical change, firm relocation to other regions, or cyclical fluctuations in demand, the individuals trained will be left without skills useful in other jobs. While there are many ways to reconcile the need for both general and specific training, the underlying problem is that schools and firms have often had different conceptions of what is appropriate, with firms pressing for specific training while educators argue that training should be more general.

Finally, the dilemmas of training the disadvantaged arise both because of the contradictory pressures we place on training programs, and because we often fail to provide sufficient resources. Public training institutions are responsible for ensuring equity by providing training for the disadvantaged. Yet to the extent that training institutions serve the disadvantaged, they may jeopardize their success in placing graduates; in extreme cases, the training program may become stigmatized in the eyes of employers. On the other hand, if training institutions select only those most able, the programs may have high placement rates but fail to train those most in need of preparation for work. Furthermore, the pressure for efficient public programs often leads to imposing unrealistically high enrollment requirements for the funds available, placing educators and trainers under pressure to devise short-term programs; these are often insufficient to cope with the problems of training those who are illiterate or lacking in other basic skills.

Given that these three dilemmas are in some sense inescapable, the challenge is to devise training programs that minimize their negative effects. While improving public programs is, we hope, a continuous process, the present period is a particularly appropriate time to examine the question of how to restructure training programs. With the revision of CETA in the Job Training Partnership Act of 1982 (JTPA), the states will have increased power to shape manpower training programs according to their own needs, more free of federal constraints than under CETA. With the Vocational Education Act of 1963 now being considered for reauthorization, the other major public training program has been undergoing a process of appraisal, with real possibilities of revision. Many other education, training, and employment programs are currently being considered, including programs to improve the teaching of science and math to prevent shortages of technically trained workers, extension of the Targeted Jobs Tax Credit, and a new public employment program.[1] This situation of relative fluidity therefore presents an opportunity to apply the lessons we can learn from different training programs.

Of course, one real possibility is that--even in the case of the JTPA, where new legislation requires certain substantial changes--no real revisions will occur, because the political power of the established system of training programs is too great to allow any real changes, or because governors and other elected officials are unable or unwilling to fight the political battles necessary for change. Analyzing the strengths and weaknesses of existing training programs cannot suggest how to resolve these political problems, but it can suggest the changes that would be worth fighting for. After we review our conclusions about the different types of training programs we examined in Texas, we will suggest several implications of this analysis for the reform of occupational training.

ALTERNATIVE RESOLUTIONS IN TEXAS

Each of the three major training programs we examined--firm-based training; postsecondary vocational education; and CETA programs including the Job Corps, the Private Sector Initiative Program, and programs offered through community-based organizations--has different strengths and weaknesses. Because of its history and institutional setting, each is in a different position to resolve the basic dilemmas of training.

Firm-based training has several appealing features. Because firms tend to train only workers they have already hired, placement at the end of training is no problem. Also, in part because the trainees are well screened--once at hiring and once on admission to training--dropout rates are very low. As simultaneous providers and users of training, firms offer training that is closely matched with the needs of the job. Firms are generally the first to perceive the need for new skills on the job and gear their training to meet these needs.

Firms sponsor formal training programs for a variety of motives. Some firms conduct their own training to relieve sudden shortages, as occurs in periods of rapid expansion or when the firm relocates. Training also may be offered as a "fringe benefit" to attract suitably motivated workers. Often firms find in-house training to be cheaper, more controllable, and more likely to produce visible results than training offered by external institutions. Firms also use training as a screening device, which is especially easy to accomplish when supervisory personnel serve as instructors.

Perhaps the most common reason firms train is to provide specific skills. Among the thirty firms surveyed for this study, all conduct technical training specific in content. Either the skills were not used in other firms or the training provided the company with an opportunity to instill such desirable employee attitudes as company loyalty, teamwork, or the company's philosophy. The individual firm is in the best position to offer such specific training.

However, there are significant limitations to firm-based training. Few firms offer any formal training beyond a simple orientation session. Among firms which do conduct formal training, most of what is offered pertains to management or sales personnel. Formal technical training is concentrated primarily among the larger firms.

However, there appears to be a recent upsurge in formal firm-sponsored training, and some observers predict that firm-based training will be the fastest-growing part of the entire education and training enterprise in the next few decades. While some employee training is generally viewed as a regular cost of doing business, few firms perceive remedial training as their responsibility. Training expenditures also tend to be among the first cut in a recession. The level of training offered by employers tends to be quite responsive to immediate economic conditions--a fact which can be especially detrimental in occupations requiring lengthy training periods.

Vocational programs in community colleges and technical institutes were among the fastest-growing educational programs in the 1970s, and also the least restricted in developing training to serve the needs of both firms and students. A major strength of postsecondary vocational training has been its flexibility in being able to offer a wide variety of conventional and unconventional training, ranging from workshops to two-year programs, from open-entry open-exit training to regular semester-long courses for academic credit. Such flexibility has enabled community colleges and technical institutes to respond to employer requests and to accommodate the demands of students for more vocational training. As relatively new institutions, sometimes relying on the use of part-time instructors from firms, community colleges and technical institutes have had few long-established traditions to maintain and have been able to adapt to new modes of training, new course formats, and new training sites nearer to the workplace. Popular with students, community colleges and technical institutes have had little difficulty attracting enrollments and have enjoyed a relatively stable base of financial support from state and local governments.

Unlike firms who must gear training to their own specific needs, postsecondary institutions are in a better position to combine general and specific training, giving students transferable occupational skills which ought to increase their earnings, enhance job security, and improve job mobility. At the same time, these schools have the flexibility to provide for the needs of firms through various joint training arrangements.

Postsecondary education has also escaped the constraint imposed on CETA to serve the disadvantaged almost exclusively, and thus has avoided the stigma employers have automatically attached to some CETA programs. At the same time, postsecondary institutions seem more sensitive than firms do to the training needs of disadvantaged minorities and women.

In concept, postsecondary institutions appear to be in the best position to deal with the dilemma of meeting the needs of firms while at the time serving the interests of students--including disadvantaged students. However, the performance of postsecondary institutions has been mixed. Evidence regarding their effectiveness in providing students with employment skills, earnings advantages, and more stable employment is optimistic but not final. Recent evidence indicates that almost two decades of efforts to serve the disadvantaged have not been successful, and that dropout rates are high; furthermore, the schools have been accused of becoming tracking mechanisms, keeping working-class students out of regular four-year college programs.

Unlike firm-based training and postsecondary training, programs under the Comprehensive Employment and Training Act of 1973 and its successor, the Job Training Partnership Act of 1982, have had little difficulty enrolling disadvantaged individuals. A significant portion of CETA training is conducted by community-based organizations (CBOs), representative of the disadvantaged and located in the neighborhoods where the trainees live. CBOs are thought to understand disadvantaged trainees better than traditional educational agencies. CBOs may be able to develop trust and rapport more easily; most of all, they often have a special commitment to serve this segment of the population. In working with employees in joint training arrangements, CBOs can act as advocates on behalf of the disadvantaged. Further, if the CBO has its own training capacity or is allied with a capable training institution, it is in a position to provide a mix of general and specific skills. However, funding to most local community-based organizations has been unstable and insufficient to accomplish the tasks attempted. Furthermore, most CBOs have tended to emphasize on-the-job training provided by firms, which probably results in a great deal of firm-specific training.

The Jobs Corps, a residential program of relatively long-term training for seriously disadvantaged youth, has enjoyed the most stable financial support of any component of the CETA system. Through involving employers heavily in the training process--both in designing the training and in offering work experience stations for advanced Job Corps trainees--the Job Corps seems to have overcome stigmatizing by employers. National program evaluations have shown the Job Corps to be a successful program whose benefits outweigh its rather substantial costs. Job Corps operations have been characterized by relatively high dropout rates; since Job Corps centers are under increasing performance pressures, there is an increasing tendency to screen out the most disadvantaged as a way of reducing problems with discipline, early terminations, and placement rates.

The Private Sector Initiative Program authorized by the 1978 amendments to CETA established in each local prime sponsor a Private Industry Council (PIC) with a majority of business representatives. The aim of the program was to involve business more in CETA programs. The experience with the PICs has been mixed. Some PICs have become very active, initiating innovative programs with a high degree of private sector involvement. In other cases, PICs have been weak, with little effect on program operations. While there exists substantial potential for PICs to help increase the involvement of private firms in serving the training needs of the disadvantaged, developing such councils is a long-term endeavor. Under the Job Training Partnership Act of 1982, the PICs will be retained and elevated to an equal status with elected officials in administering local program activities. They will have an opportunity to become better established. Nevertheless, given the performance pressures that the Job Training Partnership System is under to place trainees into jobs, there will still be substantial incentives to serve the least disadvantaged--unless the evaluation system is weighted to give greater priority to serving the most disadvantaged.

Our examination of firm-based training demonstrates that while such training is naturally connected to jobs, the private sector seems unwilling to bear much responsibility for ensuring equity of access to training for all citizens. On the other hand, such public agencies as postsecondary vocational education and JTPA agencies are charged with serving the disadvantaged but have no close connections with jobs. Given this dilemma, it is clear that some form of public/private collaboration in training is necessary. Achieving such collaboration will be no small task. Firms and public training agencies tend to live in separate worlds. Ninety percent of the firms surveyed for this study indicated that they had no contact with CETA or vocational education agencies. Furthermore, our private sector respondents denied that there was anything that could be done to motivate increased training for disadvantaged minorities and women, and they responded coolly to the idea of tax credits and direct subsidies for training the disadvantaged. We conclude, therefore, that while the idea of public/private cooperation in occupational training is valid--and has in fact become commonplace--its implementation will be difficult and slow.

IMPLICATIONS FOR REFORMING PUBLIC TRAINING PROGRAMS

From our review of training programs in Texas, seven different implications for the design of training programs emerge. Some of these recommendations are easily implemented; others would require a complete restructuring of existing programs. However, a common thread throughout all of them is the assumption that some difficult changes are necessary to eliminate the current weakness of the occupational education and training system.

Improving the Use of Advisory Committees

Advisory committees have great potential to integrate training institutions and labor markets, to adjust training programs to labor market needs, and conversely to inform employers about training opportunities. However, such committees are beset with dangers from two sides. By far the most common problem is that, in practice if not on paper, advisory committees are relatively weak. From the other side, the possibility arises that advisory committees could become too strong, and--if dominated by individual employers--they could impose pressure for training programs that are too specific. This danger is particularly relevant for the Job Training Partnership Act (JTPA), where the Private Industry Councils have the approval power and are therefore more than advisory, and where at least 51 percent of their members represent business and industry.

To strengthen advisory committees without risking inappropriate pressures on training institutions, it will be necessary to take the roles of such committees more seriously, and to be more explicit about training members of advisory committees for their roles. Such training has often concentrated on modifying the resistance many educators feel toward outside "intrusion"; however, representatives from business and industry equally need training about the appropriate roles of advisory committees, particularly so that they too can understand the social goals of training programs rather than emphasize the firm-specific needs that we observe in firm-based training programs. Finally, it is necessary to clarify the roles of advisory committees, and in some cases to delimit their influence. Texas State Technical Institute in Waco has particularly appropriate procedures for using advisory committees; by obtaining information from them to develop an industry wide survey regarding skills used and then teaching only those skills mentioned most frequently in the survey, and by prohibiting members of advisory committees from further influencing courses taught, TSTI strives to teach the skills that are most widely used in an occupation while avoiding those skills that are specific to individual firms.

Strengthening Joint Training

While advisory committees have real potential, they are still relatively weak links between training institutions and employers. The other institutional links we identified are joint training efforts, where students take courses in a community college or other training program while simultaneously learning on the job. Cooperative ventures provide stronger links between training and employers and can serve to educate each to the needs of the other. In addition, joint training appears to be one means of resolving the old debates about general versus specific training, with schools and manpower programs better able to offer general training with public funds while firms provide specific training with their own instructors, machines, and materials (as they now do in much of firm-based training).

Despite the attractive feature of joint training, it would be naive to think that expanding joint training is simple. The amount of joint training now taking place is relatively small, even though it seems to have expanded over the past decade. We can expect resistance from both educators and trainers fearful of diluting their curriculum, and from employers who may want to control all aspects of training. Furthermore, there are many jobs which require little general training or little specific training, so that joint training makes sense for only those occupations that require nontrivial amounts of both general and firm-specific training.[2] As in the case of advisory committees, then, strengthening joint training will require a process of educating both educators and employers about its possibilities and limitations, of clarifying the roles of each, and of identifying the occupations for which joint training could be most useful.[3]

The Role of Firm-based Training

While firms can play important roles in joint training and on advisory committees and Private Industry Councils, our evidence suggests that in other ways firm-based training offers little prospect for resolving social problems. The tendency of firms to offer primarily specific training, their general lack of interest in the disadvantaged, and the tendency to reduce training efforts during recessions (just when many people decide to go to school because opportunity costs are low) all suggest that we cannot rely on firms to provide consistent training responding to the needs of individuals. The experiences of firms in Texas, of the National Alliance of Business-JOBS program, and of the Targeted Jobs Tax Credit all confirm that firm-based training is particularly inappropriate to integrating the disadvantaged into training and employment. Furthermore, the firms we examined in Texas felt that no form of governmental action to induce their cooperation would be welcome; their lack of interest in exploring alternative public policies suggests once again that the social goals of occupational training require public programs. We conclude, therefore, that the persistent efforts to use private employers to discharge public training functions should--apart from efforts to develop joint training and strong advisory committees--be abandoned.

Integrating Vocational Education and Manpower Programs

The existing postsecondary vocational programs in community colleges and the CETA/JTPA programs outside the schools each have their own advantages: postsecondary programs have been relatively more flexible and enjoyed higher acceptance from employers, while CETA/JTPA programs have done a much better job of training the disadvantaged at the cost of lower acceptance by employers. While the creation of separate, out-of-school manpower programs may have been necessary to focus additional resources and attention on the special needs of the disadvantaged, integrating these programs with school programs should be a long-run goal in an effort to combine the strengths of each and to avoid the stigma that has often been a problem for CETA. Mechanisms of coordination have been extensively explored, and are already in place in cases where CETA has contracted with community colleges to provide training;[4] the Job Training Partnership Act has explicitly set aside 8 percent of its funds for linkages with existing vocational education programs. We recommend that mechanisms of integration be extended beyond this minimal funding, particularly through subcontracting to postsecondary institutions; it may be that other structural and administrative changes are also necessary, like coordinating the Service Delivery Areas under the JTPA with community college districts. Such mechanisms of integration would provide the additional resources that the disadvantaged often need and the special advocacy on their behalf that CETA has provided, while taking advantage of the greater flexibility and better reputation of postsecondary vocational programs.

The Design of Programs

One obvious recommendation from our investigation of CETA programs is that training programs should be suited to the needs of students. In particular, the contrast between the experiences of some community-based organizations and the Job Corps indicates--as do more thorough evaluations--that short programs are likely to be ineffective.[5] In order to allow JTPA to develop programs of the appropriate length and intensity, it may be necessary to develop performance standards that reflect the difficulty of training, thus relieving the intense pressure CETA has been under to enroll as many people as possible with its limited resources. In addition, fitting programs to the needs of trainees implies that ancillary support services--day care, counseling, and the like--are necessary for some of the disadvantaged. Whether the funds allowed under JTPA for support services--effectively 15 percent of available funds--are sufficient remains to be seen.

Improving Evaluation and Performance Standards

In the public programs we examined, evaluation of outcomes was generally weak. Even though the 1976 amendments to the Vocational Education Act have required follow-up of completers through the Vocational Education Data System (VEDS)--a reporting and follow-up system known in Texas as TEXSIS--these results are almost useless for evaluation purposes because the response rates are relatively low and almost surely biased; none of the community colleges and technical institutes we visited performed independent evaluations of any real power. Similarly, CETA has required performance standards; now JTPA includes requirements of performance standards and specifies that its goals be increased earnings and reduced welfare dependency. However, the way these have been implemented--with placement figures inconsistent in definition and collection, and sometimes all but made up--provides little information on the true effects of CETA programs. It therefore is impossible, except on the basis of anecdotal evidence or national evaluations, to distinguish valuable programs from those that are worthless. Even worse, the performance standards as they have been written have caused programs to "cream" the most able or the least disadvantaged of the eligible population. We therefore recommend that outcome evaluations of both postsecondary vocational programs and of JTPA programs be strengthened, and that the performance standards be more carefully devised to avoid the pressures to "cream."[6]

Stabilizing Occupational Training Programs

For the past two decades the only constant feature of employment and training programs has been change. The manpower programs of the 1960s were modified in the CETA legislation of 1973; the CETA legislation itself was amended significantly five times in its nine-year life, and most recently revised once more in the Job Training Partnership Act of 1982. In addition, regulations were changed almost every year. Although vocational education programs have enjoyed somewhat more stability--partly because they are funded largely from state and local funds rather than federal sources--they too have undergone substantial change, with extraordinarily rapid expansion during the 1960s and 1970s, and amendments to the 1963 Vocational Education Act in 1968 and 1976.

The process of change has contributed enormously to the instability of these training programs, especially--as in the case of community-based organizations--when the agencies that sponsor them are relatively small. Furthermore, the tendency to load additional goals onto training programs has complicated the situation further. We now look to training programs not only to provide individuals the skills necessary in labor markets, but also to remedy the illiteracy and other basic skill deficiencies of some students, to compensate for the failures of the regular school system, to reduce school dropout rates, to provide training in English as a second language for various groups of immigrants, to provide the flexibility for workers to respond to technical change, to reduce welfare dependency, to overcome the barriers of racial and gender discrimination, to train the handicapped, to serve as mechanisms of economic development by inducing firms to move to Texas, to reduce crime rates, to rehabilitate those who are ex-criminals, to integrate those traumatized in Viet Nam into society and the labor force, to provide "life skills," and to reduce the unemployment rate. While these are all worthy goals, their number and variety are overwhelming. By asking training institutions to be all-purpose solvers of social problems, we may be asking more of them than is feasible. Moreover, in the multiplicity of goals, it becomes too easy for training programs to lose sight of their first mission: to provide skill training for employment.

We recommend, therefore, that there be every effort to provide greater stability to training programs and to simplify their mission by eliminating those goals that are essentially irrelevant to job training. We hope that the passage of the Job Training Partnership Act and the future reauthorization of the Vocational Education Act can bring a more stable climate to employment and training programs.[7] However, we recognize that this is by far the most difficult of the recommendations we have made, since stability and simplification require that there be an enduring consensus on what occupational programs should and should not do.

Such consensus has so far proved elusive precisely because of the persistent dilemmas that have always surrounded occupational training. The constancy of change in our system of occupational training, the persistent criticisms, and the need for continual reform all reflect the structural problems of training programs. We cannot pretend that the reforms we have suggested will cause these problems to disappear, since that is impossible. However, we do contend that these reforms would allow training programs to do a better job of meeting the goals--even the conflicting goals--that have been thrust upon them.

NOTES

1. One proposed program to improve math and science teaching is HR 1310, introduced by Rep. Carl Perkins (D-Ky.); Senator Gary Hart (D-Colo.) has been quoted as saying that there are literally dozens of similar legislative proposals. The extension of the Targeted Jobs Tax Credit is an important part of President Reagan's initiative to establish "free enterprise" zones in distressed urban areas. The new jobs program proposed by Democrats and supported by President Reagan in March 1983 includes programs to provide loans, support social services, and fund a myriad of other activities in addition to public employment.

2. In theory, the data on Specific Vocational Preparation (SVP) and General Educational Development (GED) requirements, developed by the Department of Labor, could be used to describe all occupations by specific and general training, and to determine which occupations are candidates for joint training. The creation of such a matrix of GED and SVP scores has, to our knowledge, not yet been completed.

3. For a comparison of joint training efforts involving community colleges across the country, see Catharine Warmbrod, Jon Persavich, and David L'Angelle, Sharing Resources: Postsecondary Education and Industry Cooperation (Columbus, Ohio: National Center for Research in Vocational Education, 1981). On joint training in CETA, see U.S., Department of Labor, Work Experience Perspectives: CETA Program Models (Washington, D.C., 1978), and On-the-Job Training: CETA Program Models (Washington, D.C., 1977); Randall Ripley and Grace Franklin, "Private Sector Involvement in Public Employment and Training Programs," paper prepared for the National Commission for Employment Policy, Columbus, Ohio, December 1981.

4. On CETA/vocational education coordination, see U.S., Department of Labor, Employment and Training Administration, Coordination of CETA and Vocational Education: Technical Assistance Guide (Washington, D.C., undated); U.S. Conference of Mayors, CETA-Vocational Education Coordination: Highlights of Selected Studies (Washington, D.C., January 1981).

5. See Robert Taggart, A Fisherman's Guide: An Assessment of Training and Remediation Strategies (Kalamazoo, Mich.: W.E. Upjohn Institute for Employment Research, 1981).

6. While the JTPA allows separate performance standards for dislocated workers, for Indian and migrant programs, and for youth, this does not allow enough variation for differences in preparation and background of JTPA participants.

7. Some recognition of the need for stability is contained in the JTPA. For example, there is provision for a two-year planning cycle beginning in 1984. Moving to a program-year basis (July 1-June 30) from the federal fiscal year offers a double bonus: it puts JTPA programs on the same operating year as vocational educational institutions, and it should provide training programs with nine additional months of advance notice of the allocations they will have the following year.